

SBA Guarantee Fees

The following outlines the fees charged by SBA in conjunction with a 7(a) r Community Advantage loan.

SBA Guarantee Fee

- ✓ A Lender must pay a fee to SBA for each loan guaranteed under the 7(a) program. This fee is known as the “SBA Guaranty Fee.” The total loan amount determines the percentage that is used to calculate this fee. The guaranty fee is based on the guaranteed portion of the loan and not the total loan amount.
- ✓ The Guaranty Fee may be passed on to the borrower. In most cases this is rolled up into the loan and financed by the borrower.
- ✓ Payment of the Guaranty Fee by Lender to SBA must be made within 90 days of the date of loan approval.
- ✓ If more than one loan is approved to the same Applicant, including loans to its affiliates, within 90 days of each other, the loans are considered as one for the purpose of determining the guarantee fee.

Calculation of the SBA Guarantee Fee

Loans of \$150,000 or less	Guarantee Fee = 2% of the guaranteed portion	SBA 7(a) Guarantee = 85%
Loans of \$150,001 - \$700,000	Guarantee Fee = 3% of the guaranteed portion	SBA 7(a) Guarantee = 75%
Loans of \$700,001 - \$5,000,000	Guarantee Fee = 3.5% of the guaranteed portion up to \$1,000,000 PLUS 3.75% of the guaranteed portion over \$1,000,000.	SBA 7(a) Guarantee = 75%

On-Going Guarantee Fee

- ✓ Lenders are required to pay SBA an annual service fee (“on-going guaranty fee”). This fee is set at the time of loan approval and based on the outstanding principal balance of the guaranteed portion of each loan. SBA specifies the amount of the fee each fiscal year for all loans approved during that year.
- ✓ The on-going guaranty fee cannot be passed on to the borrower.
- ✓ Lenders pay this fee on a monthly basis when reporting the status of the loans on SBA Form 1502.

Current On-Going Guarantee Fee:

55 Basis Points (0.55%)