



U.S. Small Business  
Administration

# The Lender's Advantage

Nebraska District Office | 10675 Bedford Avenue, Suite 100 | Omaha, NE 68134 | 402.221.4691

## **Assist Your Small Business Customers Affected by the Coronavirus (Covid-19) Modify or Restructure Their Existing SBA Loans**

### **7(a) Loans:**

The U.S. Small Business Administration (SBA) gives Lenders unilateral authority to modify or restructure existing 7a standard loans through the E-Lend Servicing platform in our Capital Access Financial System (CAFS).

With the Coronavirus (Covid-19) impacting small businesses throughout our state of Nebraska, this would be a good time to utilize your unilateral authority and help your small business borrowers with existing SBA 7a loans by providing them with some relief on repayment during this very difficult time.

The following are some of the servicing actions you have unilateral authority to perform on your 7(a) loans without prior approval from the SBA:

- Deferment of payments – Generally, the amount deferred should not exceed six cumulative monthly payments or 20% of the original loan amount, whichever is less. However, you do have authority to defer as many payments as you deem necessary during the life of the note;
- Extend amortization out to maximum allowed by SBA if loan is currently structured on a shorter term (i.e. 25 years for real estate, construction; 10 years for everything else);
- Amend payments for a period of time – (i.e. interest only);
- Modify the interest rate; and/or
- Extend the maturity date up to 10 years beyond the original maturity date.

For more information regarding unilateral servicing actions, please see the [Servicing and Liquidation Actions 7a Loan Matrix](#) attached to this email.

Even if an action does not require SBA's prior approval, please document the reasons for your decisions and keep that information in your loan file for SBA's review.

### **504 and Microloans:**

Also, as a reminder, Certified Development Companies and Microlenders also have unilateral authority to provide temporary relief in the form of deferred payments to existing borrowers under certain circumstances.

Attached to this is email are two SBA notices regarding these deferments: SBA Information Notice #5000-20004 and SBA Procedural Notice #5000-20008.

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If you have any questions or concerns, please contact the Nebraska District Office:

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