

# **SBA LENDER'S NEWSFLASH #10-11**

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## **New SBA SOP to be released Oct. 1 – Here's an outline of the important changes**

Key changes to the Standard Operating Procedure (SOP) have been announced by the Office of Financial Assistance, and will apply to all applications received by the SBA on or after Oct. 1. The revised SOP can be found [online](#), with a “[tracked changes](#)” version enabling easy identification of modified sections.

Among the important changes outlined in [SBA Notice 5000-1163](#):

- The Passive Income Definition eliminates the “sufficient services” test to open SBA financing to small businesses such as hair and nail salons, dance studios, nursing homes and the like;
- Other Real Estate Owned financing now allowed under certain conditions;
- Lenders now permitted to lower an interest rate for a borrower after loan approval and prior to first disbursement as long as the borrower agrees in writing;
- If borrowed equity in a 504 loan is collateralized by assets other than the project property, the borrower can demonstrate repayment of the loan for the equity contribution from either the cash flow of the business, or other sources.
- The Small/Rural Lender Advantage process has been modified to reduce the two tiers of analysis to only one tier;
- SBA now permits the use of interest rates swaps under certain conditions.
- SBA Form 912 now must be completed by day-to-day management (“key employee(s)”).
- Expanded guidance for the permissible sources and necessary documentation of equity injections.

**SBA Nebraska wants to say “Thank You” for your continuing support of  
Nebraska’s small businesses!**

**\*\*The Nebraska District Office would also like to remind you to contact us if you are having problems working with our loan center(s).  
**PLEASE DO NOT WAIT!****

If you have any questions or need additional guidance, please contact our office at 402-221-4691.

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