PIONEER CAPITAL ADVISORY · BUY SIDE BRIEF REFERENCE GUIDE

SOP 50 10 8 vs SOP 50 10 8.1

The Complete Annotated Comparison for SBA Acquisition Financing

Every substantive change between the SBA rules in force since June 1, 2025 and the rules that govern every loan number issued on or after October 1, 2026, with citations to paragraph and page, plus the full log of procedural notices issued in between.

597	**42**	**130**
DOCUMENTED DIFFERENCES	NOTICES LOGGED	CROSSWALK ENTRIES

Prepared by Pioneer Capital Advisory LLC

Current as of September 2026 · pioneercapitaladvisory.com

How to use this guide

Pioneer Capital Advisory built this guide for the people who have to live with the new rules: buyers under LOI, searchers and independent sponsors raising equity, sellers deciding whether to take a note, and the lenders and advisors around them.

The guide is organized in four parts.

Part One is the change log. It walks the SOP in order, area by area, and sets the old rule next to the new rule. Every entry carries a citation to the paragraph and page in both documents, a label for the kind of change, and a short note from PCA on what the change means in a live deal.

Part Two is the structural crosswalk. SOP 50 10 8.1 moved most of the deal level rules out of the program chapters and into seven new appendices. If a rule is not where it used to be, the crosswalk says where it went.

Part Three is the notice log: every SBA procedural, policy and information notice issued between the two SOPs, with control numbers and dates, and a note on whether SOP 50 10 8.1 absorbed it.

Part Four is the watch list: places where the new text contradicts itself, points to paragraphs that no longer exist, or leaves a rule out. These are the items most likely to produce different answers from different lenders in the first months after October 1.

Method and limits

The comparison was built from the two source documents themselves: SOP 50 10 8 with Technical Updates, effective June 1, 2025, and SOP 50 10 8.1, effective October 1, 2026. Both were read in full and compared line by line, area by area. Page numbers follow each SOP's own table of contents and may differ by a page from the printed footer in some chapters, so paragraph citations are the more reliable reference.

The notice log was assembled from SBA's own document library and checked against each notice PDF. Where a rule in SOP 50 10 8.1 comes from a notice issued during the window, the entry names the control number.

One topic is deliberately left out. Partial changes of ownership, where the seller keeps equity, remain unsettled while the industry waits on further SBA guidance, so this guide covers complete changes of ownership only.

This guide is a reading of the SOP, not legal or lending advice, and it is not an SBA publication. Lenders apply their own credit policies on top of SBA requirements, and SBA may issue further notices before and after October 1, 2026. Confirm any specific deal question with your lender and your counsel.

Contents

Executive summary

SOP 50 10 8.1 is not a housekeeping update. For business acquisitions it is the largest single change since SBA opened the door to partial changes of ownership in 2023. SBA pulled every acquisition rule out of the program chapters, put them in a new Appendix 15 that overrides the rest of the SOP, and sorted deals into four categories that carry different coverage, equity and diligence requirements. The list below is what PCA believes will change the most deals.

01 Acquisitions are now their own rulebook

All 7(a) change of ownership requirements move into Appendix 15, which states that it controls where it conflicts with the rest of the SOP. Deals are sorted into four categories, and the category drives coverage, equity and documentation.

SOP 50 10 8.1, App. 15, p. 342

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02 Debt service coverage of 1.25 on history for a first acquisition

An Initial Acquisition, which covers most searcher and independent sponsor deals, must show 1.25 coverage on the last fiscal year or a two year average. Projections may be reviewed but cannot carry the loan. The old standard was 1.15 and projections were allowed.

SOP 50 10 8.1, App. 15, p. 350 vs SOP 50 10 8, Sec. B, Ch. 1, p. 129

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03 A Quality of Earnings report at a $3 million price

When the Business Purchase Price is $3 million or more, the lender must obtain a Quality of Earnings report prepared for the lender, including a cash proof covering the trailing twelve months and the last two fiscal years. The old SOP required none.

SOP 50 10 8.1, App. 15, p. 355

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04 Half the equity has to be real cash

Equity from limited sources, meaning seller debt on full standby, other standby debt and passive investors holding under 20 percent, cannot exceed half the required injection. The 10 percent injection on an Initial Acquisition cannot be waived, and it is measured on total project cost.

SOP 50 10 8.1, App. 15, p. 352

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05 Ten year amortization, with real estate carved out

The rule that let a loan run 25 years when at least 51 percent of proceeds went to real estate is gone. Acquisition loans amortize over 10 years, and only the real estate portion can go longer, through a weighted average blend or a separate loan.

SOP 50 10 8.1, App. 15, p. 350 and App. 17, p. 367

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06 Total debt cannot exceed the business valuation

Acquisition debt, including seller debt that is not on full standby, is capped at the valuation. Anything paid above it has to be equity. Every deal needs an independent valuation from a Qualified Source, because the option for the lender to value a business at or under $250,000 is gone.

SOP 50 10 8.1, App. 15, pp. 353 to 355

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07 Seller notes season for 36 months, and sellers can stay 24

A seller note has to be current and off standby for 36 months before it can be refinanced, up from 24. In exchange, the seller may stay on as a consultant or employee for up to 24 months instead of 12.

SOP 50 10 8.1, App. 15, pp. 349 and 348

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08 7(a) Small can no longer buy a business

Changes of ownership must be underwritten under Appendix 15, which removes the lighter 7(a) Small path for acquisitions at or under $350,000 and pushes those deals into the full standard.

SOP 50 10 8.1, Sec. B, Ch. 2, p. 125

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09 The SBSS credit score is gone

SBA retired the minimum FICO SBSS score of 165 for 7(a) Small. In its place the lender runs its own credit analysis, must document coverage of at least 1.10, and must collect two months of business bank statements.

SOP 50 10 8.1, Sec. B, Ch. 2, pp. 128 to 130

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10 Ownership must be 100 percent United States citizens or nationals

Every direct and indirect owner and every required guarantor must be a U.S. citizen or U.S. national with a principal residence in the United States. Lawful permanent residents can no longer own an applicant, and the old verification path through USCIS is deleted.

SOP 50 10 8.1, Sec. A, Ch. 1, p. 29

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11 New money on the lender side: SOFR, Treasury and MARC

Variable rate loans may now price off SOFR or the five or ten year Treasury in addition to Prime, capped at Prime plus the spread for the loan size. A new revolving product, MARC, gives manufacturers up to $5 million and wholesale and food supply businesses up to $2 million.

SOP 50 10 8.1, App. 18, p. 372 and Sec. B, Ch. 3, p. 135

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12 504 underwriting tightens, and 504 capacity grows

The 504 coverage floor moves from 1 to 1 up to 1.15 to 1 measured on historical EBITDA, and the CDC must reconcile the bank's underwriting on projects of $5 million or more. At the same time a borrower's 7(a) balance no longer eats into the $5 million debenture limit, and job creation thresholds rise to $95,000 per job.

SOP 50 10 8.1, Sec. C, Ch. 1, pp. 221 to 225

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13 Paperwork windows shorten

Personal financial statements must be dated within 90 days rather than 120, guarantor statements are measured to loan approval, credit reports for 504 tighten to 90 days, and a trust that owns any percentage of the borrower must guarantee, with the trustor guaranteeing personally.

SOP 50 10 8.1, App. 20, p. 390 and Sec. A, Ch. 5, p. 93

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14 Agents come under new limits

Lenders may not use agents or lender service providers located outside the United States, SBA proceeds cannot refinance debt owed to an agent involved in the loan, and education, advisory and agent fees no longer count toward a buyer's equity injection.

SOP 50 10 8.1, Sec. A, Ch. 4, p. 73 and App. 15, p. 352

15 Fees change again on October 1, 2026

Under the FY2027 notices the zero percent upfront fee now reaches loans of $700,000 or less, down from $950,000, but it covers manufacturers, listed food supply chain industries and rural businesses. The annual service fee stays at 0.55 percent.

SBA Information Notices 5000-881797 and 5000-881796

At a glance

The headline numbers, old rule on the left, new rule on the right. Every line is documented with citations in the change log that follows.

Item	SOP 50 10 8	SOP 50 10 8.1
Where acquisition rules live	Section B, Chapters 1 and 2	Appendix 15, which overrides conflicting text
Deal categories	No formal categories	Initial Acquisition, Business Expansion, Owner Buyout, ESOP and Cooperative
Debt service coverage, acquisitions	1.15 to 1, projections allowed	1.25 to 1 historical for Initial Acquisition, 1.15 for Business Expansion with two years of operating history
Debt service coverage, 7(a) Small	FICO SBSS score of 165 or above	Lender credit analysis with a 1.10 floor plus two months of bank statements
Debt service coverage, 504	1 to 1	1.15 to 1 on historical EBITDA
Equity injection, acquisitions	10 percent, various sources	10 percent that cannot be waived on an Initial Acquisition, with at most half from limited sources
Quality of Earnings	Not required	Required at a Business Purchase Price of $3 million or more, engaged by the lender, with a cash proof
Business valuation	Lender could value a business at or under $250,000	Independent Qualified Source valuation in every case, and debt capped at the valuation
Maximum amortization, acquisitions	Up to 25 years when 51 percent or more of proceeds went to real estate	10 years, with only the real estate portion longer through a weighted blend or a separate loan
Seller note seasoning before refinance	24 months	36 months
Seller stays after closing	Up to 12 months	Up to 24 months
Ownership eligibility	U.S. citizens, nationals and lawful permanent residents	100 percent U.S. citizens or nationals with a U.S. principal residence
Personal financial statement age	120 days	90 days
Base rates for variable loans	Prime, LIBOR based and the SBA Peg Rate	Adds SOFR and the five and ten year Treasury, capped at Prime plus the size spread

Item	SOP 50 10 8	SOP 50 10 8.1
Revolving line for manufacturers	CAPLines only	New MARC line up to $5 million, or $2 million for wholesale and food supply
Same institution debt refinance	Non delegated processing	Allowed under PLP and SBA Express authority
504 debenture limit	Reduced by the borrower's 7(a) balance	7(a) balances no longer count
504 job creation	$90,000 per job, $140,000 for manufacturers	$95,000 per job, $150,000 for manufacturers and energy

PART ONE

The change log

597 documented differences, in the order the SOP presents them.

CHANGE LOG

Eligibility and Special Transaction Structures

The headline change is citizenship and residency: every direct and indirect owner and every SBA required guarantor must now be a U.S. citizen or U.S. national whose Principal Residence is in the U.S., so Lawful Permanent Residents join the expanded Ineligible Person list (which now also covers U.S. citizens living abroad, PRC and Hong Kong citizens, foreign entities and OFAC listed persons), and the G-845 verification process is deleted. The six month lookback now keys on owners rather than Associates and drops the life of loan severance requirement, while limited or supplemental guaranties by Ineligible Persons (other than undocumented aliens) are allowed. Several business type rules tightened or clarified: standalone passive assets such as unattended EV chargers, skill games, assigned space coworking models, professionally licensed businesses such as medspas and leveled cleaning models, plus a new 20% minor child ownership bar. There is new relief for Non-controlling Minority Equity Investors under the prior loss rule, the New Business definition drops the same geographic area test, and ESOP loans may use the ERISA valuation. For 504 franchise deals, review of executed franchise documents moves to CDC closing counsel.

UNCHANGED 19 · CLARIFIED 12 · TIGHTENED 9 · NEW 8 · LOOSENED 6 · MOVED 5 · REMOVED 1

1 Chapter 1 introduction

CLARIFIED · LOW IMPACT

Timing and documentation of eligibility

SOP 50 10 8 through 9/30/2026

Determining eligibility is "a critical step that the SBA Lender must take in the lending process" and "should be determined as early as possible in the application process and properly documented."

SOP 50 10 8, Sec. A, Ch. 1, introduction, p. 13

SOP 50 10 8.1 from 10/1/2026

"Determination of Applicant eligibility is a required and critical step in the SBA loan process and should be completed and documented by the Lender as early as practicable." The Applicant must still meet all core requirements at application and through closing and disbursement.

SOP 50 10 8.1, Sec. A, Ch. 1, introduction, p. 13

PCA NOTE PCA sees this as wording, not substance, but it underlines that the eligibility file is the lender's burden. Buyers should expect eligibility questions (ownership, citizenship, business type) at the term sheet stage, not at closing.

Lender · CDC

2 Operating business and for profit

UNCHANGED LOW IMPACT

Operating Business; for profit subsidiaries of nonprofits

SOP 50 10 8 through 9/30/2026

The Applicant must be an Operating Business (except EPCs) and organized for profit. For profit subsidiaries of a nonprofit may be eligible; the nonprofit affiliate's receipts or employees count toward size, proceeds must benefit only the for profit business, and if the nonprofit owns 20% or more but will not guarantee, the business is ineligible.

SOP 50 10 8, Sec. A, Ch. 1, ¶ A and ¶ B.1 to B.2.c, pp. 13 to 14

SOP 50 10 8.1 from 10/1/2026

Same rules with light edits ("permits" for "allows"; "Loan proceeds must be used exclusively for the benefit of the for profit business"). The 20% nonprofit owner guaranty rule is unchanged.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ A and ¶ B.1 to B.2.c, pp. 13 to 14

PCA NOTE No change in substance. A nonprofit parent holding 20% or more still has to guarantee or the deal does not work.

Lender · CDC

3 Located in the United States

UNCHANGED LOW IMPACT

Organized, located and operating in the U.S.

SOP 50 10 8 through 9/30/2026

The Applicant must be created, organized, or incorporated in the U.S., its territories or possessions, be located and primarily operate here, be authorized to do business in the state, pay U.S. taxes, and to the extent practicable buy American made equipment and products. International operators must use proceeds exclusively for the U.S. based Borrower.

SOP 50 10 8, Sec. A, Ch. 1, ¶ C.1 to C.2, p. 14

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ C.1 to C.2, p. 14

PCA NOTE Offshore holding companies still do not work as the borrower or as an owner; see the citizenship items below for the entity owner rule.

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4 Located in the United States

CLARIFIED MEDIUM IMPACT

International trade restrictions

SOP 50 10 8 through 9/30/2026

"Businesses involved in international trade are subject to U.S. trade restrictions. See Ch. 3, Para. B.11 for requirements to comply with U.S. trade restrictions." (A cross reference only; the prohibited country rule sat in the Export Express and EWCP provisions of Section B.)

SOP 50 10 8, Sec. A, Ch. 1, ¶ C.3, p. 14

SOP 50 10 8.1 from 10/1/2026

The rule is now stated directly for all 7(a) and 504 loans: a loan "may not be made to a business that directly or indirectly exports to a foreign country which is listed as a prohibited country (Note # 7 on the Country Limitation Schedule | EXIM.GOV), or if the transaction would be prohibited under any of the sanctions programs administered by OFAC."

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ C.3, p. 14

PCA NOTE PCA sees this as a real diligence item for targets with export sales, including indirect exports through distributors. Buyers should confirm the target's customer and destination list against the EXIM Note 7 countries and OFAC programs before signing an LOI.

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5 Size standards

UNCHANGED LOW IMPACT

Industry and alternative size standards

SOP 50 10 8 through 9/30/2026

The Applicant (with affiliates) must be small under either the industry size standard or the alternative size standard: tangible net worth not over $20 million and average net income after federal taxes (excluding carry over losses) for the 2 full fiscal years before the application date not over $6.5 million. Standards increase 25% if all proceeds are used in a labor surplus area.

SOP 50 10 8, Sec. A, Ch. 1, ¶ D and D.1.a to D.1.c, pp. 14 to 15

SOP 50 10 8.1 from 10/1/2026

Same thresholds: $20 million tangible net worth and $6.5 million average net income for the 2 full fiscal years prior to application; 25% labor surplus area increase. Only editorial changes (capitalized "Industry Size Standards" and "Alternative Size Standard").

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ D and D.1.a to D.1.c, pp. 14 to 15

PCA NOTE No change. Sponsors with other portfolio companies should still run the affiliation math early, since the alternative standard is often the easier test for acquisitive buyers.

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6 Size standards

CLARIFIED LOW IMPACT

When size is determined

SOP 50 10 8 through 9/30/2026

"The size of an Applicant for SBA financial assistance is determined as of the date the application is accepted for processing by SBA. Changes in the size of the business subsequent to that date will not disqualify an Applicant for assistance." For delegated loans, size is measured as of lender approval.

SOP 50 10 8, Sec. A, Ch. 1, ¶ D.2.a and D.2.c, p. 15

SOP 50 10 8.1 from 10/1/2026

"Applicant size is determined as of the date the application is accepted for SBA processing; subsequent increases in size will not affect eligibility." Delegated loans (PLP, SBA Express, Export Express, PLP EWCP, PCLP) still measure size at lender approval.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ D.2.a and D.2.c, p. 15

PCA NOTE Wording only. Growth after acceptance or approval does not knock out the loan.

Lender · CDC

7 Size standards

CLARIFIED MEDIUM IMPACT

Combined size in acquisitions

SOP 50 10 8 through 9/30/2026

For 7(a), "if the Applicant is an existing business" using proceeds to acquire another business by asset or stock purchase, the two businesses' sizes are combined. For 504, sizes are combined when proceeds finance the acquisition of assets "in conjunction with a change of ownership."

SOP 50 10 8, Sec. A, Ch. 1, ¶ D.2.b, p. 15

SOP 50 10 8.1 from 10/1/2026

One rule for both programs: "For 7(a) and 504 loans involving a business acquisition or change of ownership, the combined size of the Applicant and the acquired business must meet applicable size standards."

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ D.2.b, p. 15

PCA NOTE PCA reads this as closing the gap where the 7(a) text only spoke of an "existing business" buyer. Any acquiring entity, including a newco whose owners hold other companies, should be sized together with the target plus affiliates.

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8 Affiliation

CLARIFIED MEDIUM IMPACT

Franchise and license agreements after the 2023 affiliation rule

SOP 50 10 8 through 9/30/2026

After the 2023 rule removed control as a basis for affiliation, the SOP said: "Accordingly, franchise, license or similar agreements no longer need to be reviewed for control. However," except for management agreements in the FDD of a Directory brand, such agreements must be reviewed to see if they give someone else sole discretion over operations, which would make the Applicant an ineligible passive business.

SOP 50 10 8, Sec. A, Ch. 1, ¶ D.4, p. 16

SOP 50 10 8.1 from 10/1/2026

The sentence "franchise, license or similar agreements no longer need to be reviewed for control" is deleted. The rest stands: except for management agreements in the FDD of a Directory brand, franchise, license, or similar agreements "must be reviewed" for sole discretion over employees, finances and bank accounts.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ D.4, p. 16

PCA NOTE The old text was self contradictory; the new text leaves only the review obligation. Lenders should expect to read any license, management or operating agreement outside a listed FDD for passive business risk.

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9 Affiliation

UNCHANGED LOW IMPACT

Ownership based affiliation tests

SOP 50 10 8 through 9/30/2026

Affiliation arises from more than 50% ownership; from a more than 50% owner that also owns more than 50% of a business in the same 3 digit NAICS subsector; and, absent a majority owner, from a 20% or more owner that is (or owns a majority of) a business in the same 3 digit subsector. Spouse and minor child interests are combined; pro rata indirect ownership counts. Options, convertibles and agreements to merge are given present effect.

SOP 50 10 8, Sec. A, Ch. 1, ¶ D.4.a to D.4.c, pp. 16 to 18

SOP 50 10 8.1 from 10/1/2026

Unchanged, except the NAICS lookup reference now adds the U.S. Census NAICS site alongside naics.com.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ D.4.a to D.4.c, pp. 16 to 18

PCA NOTE Independent sponsors and holdco buyers should keep mapping every portfolio company by 3 digit NAICS; the tests did not move.

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10 Ineligible businesses

CLARIFIED LOW IMPACT

Businesses engaged in lending

SOP 50 10 8 through 9/30/2026

A pawn shop "that provides financing" is eligible if more than 50% of its revenue "for the previous year was from the sale of merchandise" rather than interest; a business that finances its own credit sales is eligible "provided" less than 50% of revenue is from financing. Mortgage servicers, check cashers (more than 50% from check cashing) and fee based financial advisors remain eligible as before.

SOP 50 10 8, Sec. A, Ch. 1, ¶ E.2.a to E.2.b, p. 18

SOP 50 10 8.1 from 10/1/2026

"A pawn shop is eligible if more than 50 percent of prior year revenue is from merchandise sales rather than interest on loans"; credit sale financing businesses are eligible "if less than 50 percent of its revenue is from financing its sales." Other lending exceptions unchanged.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.2.a to E.2.b, p. 18

PCA NOTE Editorial tightening only. The 50% revenue tests are the same.

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11 Ineligible businesses

TIGHTENED MEDIUM IMPACT

Passive businesses: coworking, salon suites, ghost kitchens

SOP 50 10 8 through 9/30/2026

Space rental models are ineligible unless revenue is membership dues (not rent), customers have no assigned space, and the business supplies a fully functioning space. "If a business has a combined model (part of the revenue is from rent and part from membership dues), it is not eligible."

SOP 50 10 8, Sec. A, Ch. 1, ¶ E.3.c.i to E.3.c.ii, p. 19

SOP 50 10 8.1 from 10/1/2026

Same three part test, and the combined model bar now expressly covers businesses that "provide for options where there is an assigned space model."

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.3.c.i to E.3.c.ii, p. 19

PCA NOTE Any coworking, salon suite or shared kitchen target that sells even one dedicated desk or assigned suite tier is out. Buyers should review the target's membership menu before spending on diligence.

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12 Ineligible businesses

NEW MEDIUM IMPACT

Passive businesses: standalone assets such as EV charging stations

SOP 50 10 8 through 9/30/2026

Not addressed. The old SOP listed land leases for cell towers, solar, billboards and wind turbines as ineligible but said nothing about standalone passive assets.

Not addressed

SOP 50 10 8.1 from 10/1/2026

"Businesses that purchase a stand-alone asset that is operated on a passive basis are not eligible. Examples of these assets include standalone charging stations where there is no on-site operator."

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.3.e, p. 19

PCA NOTE PCA expects this to reach unattended EV charging, and by analogy other unattended asset plays (standalone kiosks, unattended vending type assets) where no one operates the business on site. Buyers of these models should expect lenders to decline or to require evidence of an active operator.

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13 Ineligible businesses

MOVED LOW IMPACT

Passive businesses: management agreements and control agreements

SOP 50 10 8 through 9/30/2026

Management agreements that give a manager sole discretion make the business an ineligible passive business; meaningful oversight requires the Applicant to approve the budget, approve significant capex and opex, control bank accounts, and oversee employees who are the Applicant's employees. Side agreements giving a non guarantor owner or investor control make the business ineligible.

SOP 50 10 8, Sec. A, Ch. 1, ¶ E.3.e, pp. 19 to 20

SOP 50 10 8.1 from 10/1/2026

Same content, relettered from e. to f. (with a typo fix). Lenders must review non FDD management agreements whether delegated or not; control agreements with non guarantor investors remain disqualifying.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.3.f, pp. 19 to 20

PCA NOTE No change in substance. Independent sponsors should keep investor control rights out of side letters unless that investor will guarantee.

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14 Ineligible businesses

MOVED LOW IMPACT

Apartments, mobile home parks, residential facilities

SOP 50 10 8 through 9/30/2026

Apartment buildings and mobile home parks are not eligible (¶ E.3.f); residential facilities that are not licensed nursing homes or assisted living and provide no healthcare or medical services are not eligible (¶ E.3.g).

SOP 50 10 8, Sec. A, Ch. 1, ¶ E.3.f to E.3.g, p. 20

SOP 50 10 8.1 from 10/1/2026

Same rules, relettered to ¶ E.3.g and E.3.h.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.3.g to E.3.h, p. 20

PCA NOTE Relocation only.

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15 Ineligible businesses

LOOSENED LOW IMPACT

Nursing homes and assisted living

SOP 50 10 8 through 9/30/2026

Businesses "licensed as nursing homes or assisted living facilities" that provide healthcare or medical services are eligible.

SOP 50 10 8, Sec. A, Ch. 1, ¶ E.3.h.ii, p. 20

SOP 50 10 8.1 from 10/1/2026

Eligibility now extends to businesses licensed as nursing homes, assisted living facilities, "or state-licensed equivalents," that provide healthcare or medical services. The lender must still consider the terms of the license.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.3.i.ii, p. 20

PCA NOTE Helpful for senior care targets licensed under state categories with other names (for example residential care or personal care homes), provided they deliver actual care services.

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16 Ineligible businesses

NEW · MEDIUM IMPACT

Businesses requiring professional licenses (for example medspas)

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

"Businesses that offer services which require professional licenses to operate are eligible, provided that the ownership structure meets all applicable state requirements in which they are located." Franchised businesses must meet all franchise requirements, and the lender "must document the eligibility of the business and ownership structure, per state requirements, in the loan file (e.g., medspas)."

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.3.i.iii, pp. 20 to 21

PCA NOTE PCA sees this as the SBA answer to medspa, dental, veterinary and similar deals where state corporate practice rules limit who may own the practice. Buyers without the required license should expect the lender to ask for a state law analysis of the structure (for example an MSO or physician ownership arrangement) before approval.

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17 Ineligible businesses

NEW · MEDIUM IMPACT

Leveled or middle operator models (for example cleaning services)

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

A new item lists "Businesses that provide a leveled model where the small business owner relies on the services of a middle level operator (e.g. cleaning service models) and does not have ownership of the contracts that support the business operation." It sits in the list of renting or leasing businesses that "may be eligible," but the sentence states no eligibility outcome.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.3.i.vi, p. 21

PCA NOTE The drafting is unclear, but PCA reads it as a passive business concern: a buyer who does not own the customer contracts and relies on a master operator should expect lenders to treat the deal as ineligible. Buyers of cleaning or route style franchises should confirm the operating company holds the customer contracts.

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18 Ineligible businesses

MOVED LOW IMPACT

Equipment leasing, personal services, building for own use

SOP 50 10 8 through 9/30/2026

Equipment and goods leasing businesses are eligible (¶ E.3.h.iii); barber shops, salons and similar personal services are eligible whether they use employees or contractors (¶ E.3.h.iv); an ineligible business cannot get an SBA loan for any purpose, including its own building (¶ E.3.i).

SOP 50 10 8, Sec. A, Ch. 1, ¶ E.3.h.iii to E.3.i, p. 20

SOP 50 10 8.1 from 10/1/2026

Same rules, renumbered to ¶ E.3.i.iv, E.3.i.v and E.3.j.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.3.i.iv to E.3.j, p. 21

PCA NOTE Relocation only.

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19 Ineligible businesses

TIGHTENED MEDIUM IMPACT

Gambling

SOP 50 10 8 through 9/30/2026

Businesses getting more than one third of prior year gross revenue from legal gambling are ineligible; if the business's purpose is gambling, "such as a pari-mutuel betting racetrack or a gambling casino," it is ineligible regardless of percentage.

SOP 50 10 8, Sec. A, Ch. 1, ¶ E.7.a, p. 21

SOP 50 10 8.1 from 10/1/2026

The purpose based bar now adds "skill games (e.g. video poker)" alongside racetracks and casinos. The one third revenue test and the state lottery and state licensed gaming carve outs are unchanged.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.7.a to E.7.b, p. 21

PCA NOTE Bars, truck stops and convenience stores with skill game or video poker terminals need a closer look: if the games are the point of the business, it is out, and otherwise gaming revenue must stay at or below one third.

Buyer · Lender · Broker

20 Ineligible businesses

CLARIFIED LOW IMPACT

Prurient sexual content: de minimis

SOP 50 10 8 through 9/30/2026

A business is ineligible if it derives more than de minimis gross revenue from prurient sexual products, services or displays, and ¶ E.14.b.ii sets the test at "more than 5% of its gross revenue."

SOP 50 10 8, Sec. A, Ch. 1, ¶ E.14, p. 24

SOP 50 10 8.1 from 10/1/2026

Adds: "For this purpose, the 5% threshold is interpreted as the de minimis threshold for gross revenue."

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.14.b.ii, p. 24

PCA NOTE Confirms that 5% of gross revenue is the line. Retail targets with a small adult product category should document that share.

Lender · Buyer

21 Ineligible businesses

UNCHANGED MEDIUM IMPACT

Prior loss to the government: general rule

SOP 50 10 8 through 9/30/2026

An Applicant is ineligible if it, or any business owned, operated or controlled by the Applicant or an Associate, previously defaulted on a federal loan causing a loss. Lenders must check CAIVRS and keep proof; a fully satisfied loss may be processed, including under delegated authority.

SOP 50 10 8, Sec. A, Ch. 1, ¶ E.15.a to E.15.f, pp. 24 to 25

SOP 50 10 8.1 from 10/1/2026

Unchanged general rule, definitions and CAIVRS requirement.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.15.a to E.15.f, pp. 24 to 25

PCA NOTE Buyers with any past SBA or other federal loan losses in businesses they owned or ran should raise it at intake; the new waiver below is narrow.

Buyer · Lender · CDC

22 Ineligible businesses

NEW HIGH IMPACT

Prior loss waiver for Non-controlling Minority Equity Investors

SOP 50 10 8 through 9/30/2026

Not addressed. Any prior loss by a business owned, operated or controlled by the Applicant or an Associate made the Applicant ineligible unless the loss was fully satisfied.

SOP 50 10 8, Sec. A, Ch. 1, ¶ E.15, pp. 24 to 25

SOP 50 10 8.1 from 10/1/2026

Under 13 CFR § 120.110(q) SBA may waive the rule where the Applicant's owner, in the business with the prior 7(a) or 504 loss, held less than 20 percent of the equity, was not a guarantor or co borrower on the defaulted loan, and had no control. SBA decides case by case at application through its Risk Mitigation Framework, weighing the prior loans, the number and percentage of defaults, their timing (including early defaults) and the investor's capital relative to total SBA loan amounts. The waiver does not cover non SBA federal loans, other federally assisted financing, PPP or COVID EIDL losses.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.15.g, p. 26

PCA NOTE PCA sees this as meaningful relief for passive investors in search funds and independent sponsor deals who held small stakes in a company that defaulted. It is a request to SBA, not a lender delegated call, so build time into the schedule and assemble the investor's history on each prior SBA deal.

Buyer · Lender · CDC Source notice: 5000-879464

23 Ineligible businesses

NEW · MEDIUM IMPACT

Delinquent federal debt waiver

SOP 50 10 8 through 9/30/2026

An Applicant or any guarantor (other than a Supplemental Guarantor) with delinquent nontax federal debt (unpaid 90 days past due) is ineligible; CAIVRS must be checked; satisfied debt may be processed. No waiver discussion.

SOP 50 10 8, Sec. A, Ch. 1, ¶ E.16.a to E.16.g, pp. 25 to 26

SOP 50 10 8.1 from 10/1/2026

Same rule, plus: "SBA does not routinely grant waivers under 31 CFR § 285.13," but in rare cases the head of the agency (delegable to the CFO or Deputy CFO) may waive the requirement under 31 CFR § 285.13(g).

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.16.g, p. 27

PCA NOTE Do not plan a deal around this waiver. It exists, but it is decided at the top of SBA and SBA says it is rare; curing or entering a repayment agreement remains the practical path.

Buyer · Lender · CDC

24 Ineligible businesses

UNCHANGED · LOW IMPACT

Other listed ineligible types

SOP 50 10 8 through 9/30/2026

Life insurers, foreign located businesses, pyramid sales, illegal activity (including marijuana, with hemp and CBD rules), restricted patronage, government owned entities, loan packagers, incarcerated or indicted Associates, lender owned businesses, political or lobbying (over 50% of revenue), speculation, SBLC and SBIC conflicts, Coastal Barrier areas, and businesses with a 7(a) or 504 loan more than 29 days past due at loan number issuance.

SOP 50 10 8, Sec. A, Ch. 1, ¶ E.4 to E.21, pp. 21 to 27

SOP 50 10 8.1 from 10/1/2026

Unchanged in substance; references to E-Tran now read "the SBA Loan System."

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.4 to E.21, pp. 21 to 28

PCA NOTE No change.

Buyer · Lender · CDC

25 Citizenship and residency

TIGHTENED HIGH IMPACT

Who may own the Applicant: LPRs removed

SOP 50 10 8 through 9/30/2026

Titled "Businesses Owned by Non-U.S. Citizens." SBA financing was limited to businesses whose 100% direct and indirect owners and required guarantors were "U.S. citizens, U.S. Nationals, or who are Lawful Permanent Residents (LPRs) (commonly referred to as 'green card holders')", all with their primary residence in the U.S., its territories or possessions.

SOP 50 10 8, Sec. A, Ch. 1, ¶ F, p. 27

SOP 50 10 8.1 from 10/1/2026

Retitled "Citizenship and Residency Requirements." 100% of direct and indirect owners and SBA required guarantors "all of whom must be U.S. Citizens or U.S. Nationals who have their Principal Residence in the United States, its territories, or possessions." LPRs are now Ineligible Persons and may not own any interest.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ F, p. 29

PCA NOTE This is the biggest eligibility change in the cluster. A buyer group, sponsor or seller rollover that includes any green card holder, at any percentage, direct or indirect, cannot use 7(a) or 504 unless that person fully divests before the loan number issues. Cap tables and LP lists behind a holdco must be screened to the last owner.

Buyer · Seller · Lender · CDC · Broker   Source notice: 5000-876441; 5000-876626; 5000-872050 (rescinded); 5000-877673

26 Citizenship and residency

UNCHANGED MEDIUM IMPACT

Entity owners must be U.S. organized

SOP 50 10 8 through 9/30/2026

"Entity owners (whether direct or indirect) must be created, organized, or incorporated in the United States, its territories, or possessions."

SOP 50 10 8, Sec. A, Ch. 1, ¶ F, p. 27

SOP 50 10 8.1 from 10/1/2026

"All entity owners (whether direct or indirect) must be created, organized, or incorporated in the United States, its territories, or possessions." A foreign organized entity is also listed as an Ineligible Person in Appendix 3.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ F, p. 29

PCA NOTE Offshore blocker entities or feeder funds anywhere in the ownership chain still disqualify the deal.

Buyer · Lender · CDC   Source notice: 5000-876626

27 Citizenship and residency

TIGHTENED HIGH IMPACT

Lender certification of no Ineligible Persons

SOP 50 10 8 through 9/30/2026

SBA Lenders certified in E-Tran that no direct or indirect owner or guarantor is an Ineligible Person; "No loan may be made if any direct or indirect owner is an Ineligible Person." Ineligible Person was defined inline (foreign nationals, asylees, refugees, visa holders, nonimmigrants, DACA, undocumented aliens).

SOP 50 10 8, Sec. A, Ch. 1, ¶ F, pp. 27 to 28

SOP 50 10 8.1 from 10/1/2026

For any loan, lenders certify in the SBA Loan System "that, to the best of their knowledge," no direct or indirect owner or SBA required guarantor is an Ineligible Person "as defined in Appendix 3." No loan may be made if any owner "or SBA-required guarantor" is an Ineligible Person.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ F, p. 29

PCA NOTE The certification and the no loan sentence now name SBA required guarantors alongside owners, although the old SOP already made an Applicant ineligible when a required guarantor was an Ineligible Person, and the definition has moved to Appendix 3 with a much longer list. Lenders will ask every owner and guarantor to certify citizenship and principal residence; buyers should have those facts ready for each person in the chain.

Lender · CDC   Source notice: 5000-876626

28 Citizenship and residency

LOOSENED HIGH IMPACT

Divestiture by an Ineligible Person owner

SOP 50 10 8 through 9/30/2026

An Ineligible Person owner who is not an Associate had to completely divest before the loan number issued, but could then remain an employee (not a Key Employee), except an illegal alien.

SOP 50 10 8, Sec. A, Ch. 1, ¶ F, p. 28

SOP 50 10 8.1 from 10/1/2026

"If a direct or indirect owner is an Ineligible Person, the business is ineligible unless the Ineligible Person completely divests their ownership prior to the date of issuance of the SBA loan number." The old employee but not Key Employee language is gone; only undocumented aliens are barred from being an officer, director or employee.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ F, p. 29

PCA NOTE For a seller who is a green card holder, a full buyout that closes all equity before the loan number works; a seller rollover does not. Divestiture must be complete and documented before the lender pulls the loan number, not at closing.

Buyer · Seller · Lender · CDC Source notice: 5000-876441; 5000-876626; 5000-877673

29 Citizenship and residency

LOOSENED HIGH IMPACT

Six month lookback

SOP 50 10 8 through 9/30/2026

The Applicant was ineligible if any "Associate" of the business in the 6 months before loan number issuance was an Ineligible Person, unless that person fully divested before the loan number "and severs any relationship with the Applicant (and any associated Eligible Passive Company and/or Operating Company) in any capacity, including being an employee (paid or unpaid), for the life of the 7(a) or 504 loan."

SOP 50 10 8, Sec. A, Ch. 1, ¶ F, p. 28

SOP 50 10 8.1 from 10/1/2026

The lookback now applies to "any direct or indirect owner of the business commencing 6 months prior to the date of issuance of the SBA loan number," and is cured if the Ineligible Person "completely divests their ownership interest prior to the date of issuance of the SBA loan number." The life of loan severance requirement is removed.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ F, p. 29

PCA NOTE PCA reads this as broader on ownership (any owner at any percentage, not just Associates over 20%) but looser on continuing roles: a noncitizen officer or key employee who owns nothing is no longer caught, and a divested former owner (other than an undocumented alien) may keep working in the business. Buyers should still check ownership history for the prior 6 months.

Buyer · Seller · Lender · CDC Source notice: 5000-876441; 5000-876626; 5000-877673

30 Citizenship and residency

TIGHTENED MEDIUM IMPACT

Undocumented aliens as officers, directors or employees

SOP 50 10 8 through 9/30/2026

"Illegal aliens may not be employees of the Borrower."

SOP 50 10 8, Sec. A, Ch. 1, ¶ F, p. 28

SOP 50 10 8.1 from 10/1/2026

"Undocumented aliens who are in the U.S. illegally may not be an officer, director, or employee of the Applicant business."

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ F, p. 29

PCA NOTE Adds officer and director roles to the existing employee bar. Buyers should confirm I-9 compliance in diligence, since a violation is an eligibility problem, not just an employment law risk.

Buyer · Lender · CDC Source notice: 5000-876626

31 Citizenship and residency

LOOSENED MEDIUM IMPACT

Limited and supplemental guarantors who are Ineligible Persons

SOP 50 10 8 through 9/30/2026

If any guarantor, including Supplemental Guarantors, or any owner of a required guarantor was an Ineligible Person, the Applicant was ineligible, except that an Ineligible Person (other than an illegal alien) could give a limited guaranty "required by SBA to support the pledge of jointly held required collateral." An illegal alien co owner of collateral had to divest before closing; no citizenship verification was needed for such limited guarantors.

SOP 50 10 8, Sec. A, Ch. 1, ¶ F, p. 28

SOP 50 10 8.1 from 10/1/2026

The exception now covers "limited or supplemental" guaranties "required by the Lender for their approval, or by SBA to support the pledge of jointly held required collateral": an Ineligible Person (except undocumented aliens) may provide a limited guaranty. SBA required guarantors (including an OC in an EPC/OC deal) and their owners still may not be Ineligible Persons. The collateral divestiture sentence and the verification carve out are deleted.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ F, p. 29

PCA NOTE A green card holder spouse or relative can still sign a limited or supplemental guaranty that the lender asks for, but cannot be a 20% or more owner or other SBA required guarantor. Deal teams should label each guaranty correctly on the application.

Buyer · Lender · CDC Source notice: 5000-876626; 5000-877673

32 Citizenship and residency

UNCHANGED LOW IMPACT

Businesses on the Applicant's tax return; affiliates

SOP 50 10 8 through 9/30/2026

All businesses reporting on the Applicant's tax return are subject to the citizenship rules; affiliates and partially owned subsidiaries that file separately are not.

SOP 50 10 8, Sec. A, Ch. 1, ¶ F, p. 28

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ F, p. 29

PCA NOTE Separately filing affiliates are outside the citizenship test, but they still count for size.

Buyer · Lender

33 Citizenship and residency

CLARIFIED LOW IMPACT

Servicing substitutions

SOP 50 10 8 through 9/30/2026

For servicing requests (e.g., substitution of an owner or guarantor), the new individual may not be an Ineligible Person.

SOP 50 10 8, Sec. A, Ch. 1, ¶ F, p. 28

SOP 50 10 8.1 from 10/1/2026

Same rule, now phrased as substitution of an owner or "SBA-required guarantor."

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ F, p. 29

PCA NOTE Post closing equity transfers to an LPR or other Ineligible Person will not be approved; this matters for later partner buy ins and estate planning.

Lender · CDC · Buyer Source notice: 5000-876626

34 Citizenship and residency

UNCHANGED LOW IMPACT

Eligible persons: U.S. citizens, U.S. Nationals, naturalized citizens

SOP 50 10 8 through 9/30/2026

U.S. citizens (born in the states, DC, Guam, Puerto Rico, CNMI, USVI), U.S. Nationals (American Samoa and Swains Island, with lender review of a birth certificate or passport and SSN entry) and naturalized citizens (no further verification if shown as a citizen on the application) are described.

SOP 50 10 8, Sec. A, Ch. 1, ¶ F.1 to F.3, pp. 28 to 29

SOP 50 10 8.1 from 10/1/2026

The same three categories are now introduced as the only "Eligible Persons" for SBA financing, with the same documentation rules.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ F.1 to F.3, pp. 29 to 30

PCA NOTE Naturalized and dual citizens remain eligible if their principal residence is in the U.S.; SBA FAQ 5000-877673 addresses dual citizens.

Buyer · Lender · CDC Source notice: 5000-876626; 5000-877673

35 Citizenship and residency

REMOVED MEDIUM IMPACT

LPR documentation and USCIS verification (Form I-551, G-845)

SOP 50 10 8 through 9/30/2026

LPRs could be owners and guarantors. Lenders reviewed the current Form I-551 or acceptable substitutes (temporary I-551 stamp, I-327 reentry permit, I-797 with I-751), rejected 2 year conditional cards, reverified if 6 months had passed, collected the alien registration number on SBA Form 1919 or 1244, and submitted USCIS Form G-845 with a wet ink authorization to the Sacramento Loan Processing Center before submission or loan number request.

SOP 50 10 8, Sec. A, Ch. 1, ¶ F.4 to F.5, pp. 29 to 31

SOP 50 10 8.1 from 10/1/2026

Deleted in full. Because LPRs and all other noncitizens are Ineligible Persons, there is no alien verification process in the SOP.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ F, pp. 29 to 30 (no counterpart)

PCA NOTE The G-845 workflow is gone because the answer for any noncitizen owner is now no. Lenders will replace it with citizenship and residency certifications.

Lender · CDC · Buyer Source notice: 5000-876441; 5000-876626

36 Citizenship and residency

NEW · MEDIUM IMPACT

Ownership disclosure; minor child ownership

SOP 50 10 8 through 9/30/2026

The lender entered 100% of direct and indirect owners in E-Tran (and did the same for guarantors and servicing substitutions); spouse and minor child interests were combined.

SOP 50 10 8, Sec. A, Ch. 1, ¶ F.5.a, p. 30

SOP 50 10 8.1 from 10/1/2026

Same disclosure rule under "Documenting Applicants' Eligibility," plus: "SBA prohibits businesses where a minor child owns 20% or more of the business because minors are legally prohibited from providing a guaranty."

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ F (Documenting Applicants' Eligibility), p. 30

PCA NOTE Estate planning structures that put 20% or more directly in a child's name will block the loan; restructure through an adult or a trust with a trustor who can guarantee before applying.

Buyer · Lender · CDC

37 Franchises

UNCHANGED · MEDIUM IMPACT

Scope, Directory requirement and Directory use

SOP 50 10 8 through 9/30/2026

Relationships meeting the FTC franchise definition (including PMPA fuel supply and new car dealer agreements) must be on the SBA Franchise Directory to get SBA financing. Lenders check the Directory before submission or delegated approval; multiple agreement and single noncritical agreement (50% or less of revenue) rules apply.

SOP 50 10 8, Sec. A, Ch. 1, ¶ G.1 to G.5.d, pp. 31 to 33

SOP 50 10 8.1 from 10/1/2026

Unchanged, other than the cross reference to the add a brand procedure (now "paragraph e.").

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ G.1 to G.5.d, pp. 30 to 31

PCA NOTE No change. Check the Directory before the LOI for any franchised or licensed target.

Buyer · Lender · CDC · Broker

38 Franchises

TIGHTENED · MEDIUM IMPACT

SBA Franchise Team review of new brands

SOP 50 10 8 through 9/30/2026

Franchisors submit the agreement, FDD and all documents the franchisee must sign to franchise@sba.gov. The Franchise Team refers brands raising religion, prurient, single gender, federal litigation or other issues to the Associate General Counsel for Litigation.

SOP 50 10 8, Sec. A, Ch. 1, ¶ G.5.e.i to G.5.e.ii, pp. 33 to 34

SOP 50 10 8.1 from 10/1/2026

The Franchise Team "will review the FDD and all other documents" for business model eligibility and "will also assess whether the Franchisor has engaged in any illegal, fraudulent or other activity that SBA reasonably determines could be detrimental to SBA borrowers, or if the Franchisor is under any prohibited order from a State." Referral and removal rules otherwise unchanged (30 day notice before removal).

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ G.5.e.ii to G.5.e.iv, pp. 32 to 33

PCA NOTE SBA now screens the franchisor's conduct, not just the model. Buyers of emerging brands should check for state regulatory orders or fraud allegations, since those can keep a brand off the Directory or get it removed.

Broker · Lender · Buyer

39 Franchises

CLARIFIED · LOW IMPACT

Nondelegated submission

SOP 50 10 8 through 9/30/2026

"For non-delegated loans:" lenders identify the brand and SBA Franchise Identifier Code in E-Tran and submit no other franchise documents.

SOP 50 10 8, Sec. A, Ch. 1, ¶ G.5.f.i, p. 34

SOP 50 10 8.1 from 10/1/2026

"For non-delegated loans, if the Lender does not have PLP authority:" same procedure, entered in the SBA Loan System.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ G.5.f.i, p. 33

PCA NOTE Minor clarification of which lenders follow the nondelegated path.

Lender

40 Franchises

TIGHTENED · MEDIUM IMPACT

504 franchise documents: Directory evidence and executed agreements

SOP 50 10 8 through 9/30/2026

Delegated 504 loans sent proof of Directory listing "To SBA counsel (not the Franchise mailbox) for approval prior to submitting the closing documents." Executed franchise agreements went to the SLPC for approval (nondelegated) or to SBA counsel (delegated) before submitting the closing package for debenture funding.

SOP 50 10 8, Sec. A, Ch. 1, ¶ G.5.f.ii.b and G.5.f.iv.b, pp. 35 to 36

SOP 50 10 8.1 from 10/1/2026

For all 504 loans, before closing the CDC must obtain the executed franchise agreement and all documents the franchisee must sign and give them to CDC closing counsel, who reviews and certifies they are properly executed and comply with SOP 50 10 8.1 and the Directory in the Opinion of CDC Counsel. That opinion goes with the closing package to District Counsel and is a required item on SBA Form 2268 (Appendix D to the 504 Authorization Boilerplate).

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ G.5.f.ii.b and G.5.f.iv.b, pp. 34 to 35

PCA NOTE The review moves from SBA to CDC closing counsel. 504 franchise buyers should get the fully executed franchise agreement and addenda to the CDC early, since counsel must certify them before closing.

CDC · Lender · Buyer   Source notice: 5000-872764

41 Franchises

UNCHANGED · LOW IMPACT

7(a) franchise document retention; franchisor applicants; development agreements; management agreements

SOP 50 10 8 through 9/30/2026

7(a) lenders obtain executed franchise documents before disbursement and produce them at purchase. Franchisor applicants must be on the Directory and be small. Franchise Development (master) Agreements are passive and ineligible; area development or multi unit rights for units the franchisee owns are eligible. Franchisor affiliated management companies make the franchisee ineligible.

SOP 50 10 8, Sec. A, Ch. 1, ¶ G.5.f.iv.a, G.5.g to G.5.j, pp. 36 to 38

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ G.5.f.iv.a, G.5.g to G.5.j, pp. 35 to 37

PCA NOTE Master franchise and territory developer deals remain out; multi unit operator deals remain in.

Lender · Buyer · Broker

42 Credit not available elsewhere

UNCHANGED MEDIUM IMPACT

Certification, personal liquidity and acceptable factors

SOP 50 10 8 through 9/30/2026	SOP 50 10 8.1 from 10/1/2026
The lender certifies the Applicant cannot get the credit on reasonable terms elsewhere, documents in the credit memo why (longer maturity, lending limit, collateral shortfall, new business policy, other specific factors) and tests liquidity of 20% or more owners (with spouse and minor children), allowing reasonable reserves and 24 months of capital expenses. Credit score policy alone, secondary market liquidity, legal lending limit, CRA and lien improvement are not acceptable sole or any bases. *SOP 50 10 8, Sec. A, Ch. 1, ¶ H.1 to H.4, pp. 38 to 40*	Unchanged. *SOP 50 10 8.1, Sec. A, Ch. 1, ¶ H.1 to H.4, pp. 37 to 39*

PCA NOTE No change here. For 7(a) Small loans, PN 5000-876777 separately requires the credit memo to state why credit is not available elsewhere.

Lender · CDC · Buyer   Source notice: 5000-876777 (7(a) Small credit memo, in Sec. B)

43 Customer Identification Program

UNCHANGED LOW IMPACT

CIP compliance and 504 reliance on Third Party Lender

SOP 50 10 8 through 9/30/2026	SOP 50 10 8.1 from 10/1/2026
All lenders, including SBLCs, comply with 31 CFR § 1020.220 CIP rules. CDCs may rely on a federally regulated Third Party Lender that gives annual CIP certifications; otherwise the CDC verifies identity. *SOP 50 10 8, Sec. A, Ch. 1, ¶ I.1 to I.2, p. 40*	Unchanged. *SOP 50 10 8.1, Sec. A, Ch. 1, ¶ I.1 to I.2, p. 39*

PCA NOTE No change.

Lender · CDC

44 OFAC

UNCHANGED LOW IMPACT

Sanctions list screening

SOP 50 10 8 through 9/30/2026	SOP 50 10 8.1 from 10/1/2026
Lenders must determine the applicant business and owners are not on OFAC sanctions lists at application; CDCs may rely on a federally regulated Third Party Lender's annual certification. *SOP 50 10 8, Sec. A, Ch. 1, ¶ J.1 to J.2, p. 40*	Unchanged text in ¶ J, but OFAC listed persons and entities are now also "Ineligible Persons" under Appendix 3, which ties OFAC screening into the citizenship certification, and ¶ C.3 bars transactions prohibited by OFAC sanctions programs. *SOP 50 10 8.1, Sec. A, Ch. 1, ¶ J.1 to J.2, pp. 39 to 40*

PCA NOTE Screening is the same, but an OFAC hit on any owner or SBA required guarantor is now an express ownership eligibility failure.

Lender · CDC   Source notice: 5000-876626

45 Eligible Passive Companies

MOVED · MEDIUM IMPACT

Uses of proceeds and change of ownership between EPC owners

SOP 50 10 8 through 9/30/2026

EPC proceeds may only acquire, lease, improve or refinance property leased to OCs, or finance a change of ownership between existing EPC owners when the selling owner held the property at least 36 months. For 7(a) EPC/OC changes of ownership, see "the eligible uses of proceeds section of each delivery method chapter."

SOP 50 10 8, Sec. A, Ch. 2, ¶ A (introduction), p. 41

SOP 50 10 8.1 from 10/1/2026

Same 36 month rule. For 7(a) EPC/OC changes of ownership, see "Appendix 15: 7(a) Changes of Ownership" as well as each delivery method's eligible uses section; for 504 still Sec. C, Ch. 1, ¶ C.13.

SOP 50 10 8.1, Sec. A, Ch. 2, ¶ A (introduction), p. 41

PCA NOTE Real estate holdco plus opco acquisitions should be structured against Appendix 15, which now holds the 7(a) change of ownership rules.

Buyer · Lender · CDC

46 Eligible Passive Companies

UNCHANGED · MEDIUM IMPACT

Conditions, lease terms, guarantors, size

SOP 50 10 8 through 9/30/2026

OCs must be eligible and small; the EPC leases directly to the OCs under a written lease subordinated to SBA's lien, with a term (including OC only renewals) at least equal to the loan term and an assignment of rents; rent limited to debt service plus holding costs; OCs lease 100%; EPC may not do other business; OCs guarantee or co borrow; each 20% owner of EPC or OC guarantees; one EPC per deal.

SOP 50 10 8, Sec. A, Ch. 2, ¶ A.1 and A.3 to A.5, pp. 41 to 45

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 2, ¶ A.1 and A.3 to A.5, pp. 42 to 45

PCA NOTE No change.

Buyer · Lender · CDC

47 Eligible Passive Companies

CLARIFIED · LOW IMPACT

Trust owned EPCs: Trustor guaranty

SOP 50 10 8 through 9/30/2026

"The Trustor must guarantee the loan."

SOP 50 10 8, Sec. A, Ch. 2, ¶ A.2.d, p. 44

SOP 50 10 8.1 from 10/1/2026

"The Trustor must personally guarantee the loan." Other trust conditions (Trustee certifications, donors treated as Trustors, controlling beneficiaries guarantee) are unchanged.

SOP 50 10 8.1, Sec. A, Ch. 2, ¶ A.2.d, p. 44

PCA NOTE Confirms the grantor signs individually, not only in a trust capacity.

Buyer · Lender · CDC

48 ESOPs

UNCHANGED MEDIUM IMPACT

Core ESOP rules

SOP 50 10 8 through 9/30/2026

7(a) only: loans to an ESOP to buy at least 51% or buy qualified employer securities (business must co borrow), or to the business to relend to the ESOP; setup costs excluded; a seller who remains a partial owner must give a full unlimited guaranty (statutory); ESOP need not guarantee; no EPC/OC structure; no equity injection for 51% purchases.

SOP 50 10 8, Sec. A, Ch. 2, ¶ B.1 to B.9, pp. 45 to 46

SOP 50 10 8.1 from 10/1/2026

Unchanged ("guaranteeing" for "guarantying").

SOP 50 10 8.1, Sec. A, Ch. 2, ¶ B.1 to B.9, pp. 45 to 46

PCA NOTE No change to structure. Appendix 15 now also groups ESOP deals as a change of ownership category with its own equity and DSCR rules.

Buyer · Seller · Lender

49 ESOPs

CLARIFIED LOW IMPACT

Employees staying on after an ESOP owned business is sold

SOP 50 10 8 through 9/30/2026

When an SBA loan buys a business owned by an ESOP "for a complete change of ownership" where the ESOP is dissolved, employee owners (except illegal aliens) may remain employees.

SOP 50 10 8, Sec. A, Ch. 2, ¶ B.10, p. 46

SOP 50 10 8.1 from 10/1/2026

Now reads "resulting in a change of ownership where the ESOP is being dissolved."

SOP 50 10 8.1, Sec. A, Ch. 2, ¶ B.10, p. 46

PCA NOTE Minor wording change; the ESOP dissolution condition still applies.

Buyer · Lender

50 ESOPs

LOOSENED MEDIUM IMPACT

Business valuation for ESOP loans

SOP 50 10 8 through 9/30/2026

Not addressed; general business valuation requirements applied to ESOP change of ownership loans.

Not addressed

SOP 50 10 8.1 from 10/1/2026

"An independent business valuation is not required when the Lender is making a loan involving ESOPs for the types of loans discussed in this Paragraph B. In lieu of an independent business valuation, the Lender may use the valuation obtained by the ESOP that was made in accordance with ERISA specifications."

SOP 50 10 8.1, Sec. A, Ch. 2, ¶ B.11, pp. 46 to 47

PCA NOTE Saves cost and time on ESOP deals, since the ERISA valuation the trustee already needs can serve. Lenders should still confirm the ESOP appraisal is current and independent.

Lender · Buyer · Seller Source notice: 5000-872764

51 Cooperatives

UNCHANGED · LOW IMPACT

Cooperative loans

SOP 50 10 8 through 9/30/2026

Cooperatives must meet eligibility rules, may be processed delegated, need at least one guarantor, may (7(a) only) buy a 51% or greater interest in the employer business, and must submit organizational documents; lenders confirm compliance with other regulators.

SOP 50 10 8, Sec. A, Ch. 2, ¶ C.1 to C.6, pp. 46 to 47

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 2, ¶ C.1 to C.6, p. 47

PCA NOTE No change.

Lender · Buyer

52 401(k) and ROBS

UNCHANGED · MEDIUM IMPACT

ROBS eligibility, guaranty and documentation

SOP 50 10 8 through 9/30/2026

Businesses owned by 401(k) plans, including ROBS, may be eligible and processed delegated. The lender identifies the plan type and ROBS use, obtains the plan sponsor's full unconditional guaranty (secured if collateral policy requires), obtains the IRS favorable determination letter, Form 5500 for existing plans, and ROBS formation, adoption and stock purchase documents, and a compliance certification before disbursement. No proceeds for plan setup; no EPC/OC structure.

SOP 50 10 8, Sec. A, Ch. 2, ¶ D.1 to D.4, pp. 47 to 49

SOP 50 10 8.1 from 10/1/2026

Unchanged in substance.

SOP 50 10 8.1, Sec. A, Ch. 2, ¶ D.1 to D.4, pp. 47 to 50

PCA NOTE Searchers funding equity through ROBS face the same rules. Remember the ROBS C corporation's owners must now all be U.S. citizens or nationals residing in the U.S.

Buyer · Lender

53 401(k) and ROBS

MOVED · LOW IMPACT

Collateral cross reference for sponsor guaranty

SOP 50 10 8 through 9/30/2026

For 7(a) collateral on the sponsor's secured guaranty, see "the collateral section in each delivery method chapter of Section B."

SOP 50 10 8, Sec. A, Ch. 2, ¶ D.1.b, p. 48

SOP 50 10 8.1 from 10/1/2026

For 7(a), see Appendix 19 (7(a) Collateral Requirements); for 504, still Sec. C, Ch. 1, ¶ E.2.a.

SOP 50 10 8.1, Sec. A, Ch. 2, ¶ D.1.b, p. 48

PCA NOTE Relocation only; 7(a) collateral rules now live in Appendix 19.

Lender

54 SBA Loan System terminology

CLARIFIED LOW IMPACT

E-Tran renamed

SOP 50 10 8 through 9/30/2026

References throughout to entering data and certifications "in E-Tran" and to "E-Tran Terms and Conditions."

SOP 50 10 8, Sec. A, Ch. 1, ¶¶ E.21, F, G.5.f and Ch. 2 ¶ D.1.a, pp. 27 to 48; App. 3, p. 405

SOP 50 10 8.1 from 10/1/2026

References now say "the SBA Loan System," defined in Appendix 3 as all current and future SBA designated electronic loan systems, and "SBA Terms and Conditions."

SOP 50 10 8.1, Sec. A, Ch. 1, ¶¶ E.21, F, G.5.f and Ch. 2 ¶ D.1.a, pp. 28 to 48; SOP 50 10 8.1, App. 3, p. 286

PCA NOTE No practical change; it future proofs the SOP for SBA's system migration.

Lender · CDC

55 Appendix 3 definitions

TIGHTENED HIGH IMPACT

Ineligible Person

SOP 50 10 8 through 9/30/2026

"(7(a) and 504) Includes foreign nationals, those granted asylum, refugees, visa holders, nonimmigrant aliens under 8 U.S.C. § 1101(a)(15), those under Deferred Action for Childhood Arrivals (DACA), and undocumented aliens who are in the U.S. illegally."

SOP 50 10 8, App. 3, "Ineligible Person," p. 406

SOP 50 10 8.1 from 10/1/2026

Includes, but is not limited to: (1) undocumented aliens; (2) asylees, refugees, visa holders, nonimmigrants and DACA recipients; (3) any non U.S. citizen or national (nonresident aliens); (4) any individual, including U.S. citizens and nationals, whose Principal Residence is outside the U.S., its territories or possessions; (5) entities organized outside the U.S.; (6) citizens of the People's Republic of China or Hong Kong; (7) LPRs, both unconditional and conditional; (8) any person or entity on the OFAC sanctions list.

SOP 50 10 8.1, App. 3, "Ineligible Person," p. 280

PCA NOTE The list now reaches green card holders, expat U.S. citizens and PRC or Hong Kong citizens. Residence was already tested in the old Paragraph F, which required owners and guarantors to keep their primary residence in the U.S.; what is new is that residence, entity formation and sanctions status are written into the definition itself. Investor groups with U.S. citizens living abroad should screen on that basis.

Buyer · Seller · Lender · CDC · Broker   Source notice: 5000-876441; 5000-876626; 5000-872050 (rescinded)

56 Appendix 3 definitions

NEW · MEDIUM IMPACT

Principal Residence

SOP 50 10 8 through 9/30/2026

Not addressed. Section A, Ch. 1, ¶ F required owners and guarantors to have their "primary residence" in the U.S. without a definition.

Not addressed

SOP 50 10 8.1 from 10/1/2026

"Principle Residence: Principal Residence is defined by IRS Publication 523." (The heading misspells "Principle.")

SOP 50 10 8.1, App. 3, "Principle Residence," p. 284

PCA NOTE IRS Pub. 523 looks at where the person lives most of the time plus factors like work location, tax filings, voter registration and driver's license. Owners who split time between countries should be ready to document U.S. principal residence.

Buyer · Lender · CDC Source notice: 5000-876626

57 Appendix 3 definitions

TIGHTENED · MEDIUM IMPACT

Key Employee (of a loan applicant or Borrower)

SOP 50 10 8 through 9/30/2026

"Any person hired by the business to manage day-to-day operations."

SOP 50 10 8, App. 3, "Key Employee (of a loan applicant/Borrower)," p. 406

SOP 50 10 8.1 from 10/1/2026

"A person employed by the business who has the experience, qualifications, or required license to run the business, or who manages the business's day to day for owner(s), including making decisions about hiring and firing employees, handling payroll, and managing the business's finances."

SOP 50 10 8.1, App. 3, "Key Employee (of a loan applicant/Borrower)," p. 281

PCA NOTE Because Key Employees are Associates, the broader definition widens who is screened for character and conflict purposes; it now captures licensed professionals and general managers whose credentials carry the business.

Buyer · Lender · CDC

58 Appendix 3 definitions

LOOSENED · MEDIUM IMPACT

New Business: same geographic area test removed

SOP 50 10 8 through 9/30/2026

A business operating 2 years or less is a New Business. An existing business that starts or acquires a business in the same 6 digit NAICS "with identical ownership and in the same geographic area as the acquiring entity and they are Co-Borrowers" is a business expansion; "same geographic area" meant a reasonable distance allowing similar daily control.

SOP 50 10 8, App. 3, "New Business," p. 408

SOP 50 10 8.1 from 10/1/2026

Same 2 year rule, but an existing business that starts or acquires a business in the same 6 digit NAICS code "with identical ownership, and they are Co-Borrowers" is a business expansion, with no geographic requirement. For 504, the CDC still reviews management and debt on a change of ownership "in order to decide" whether an extra 5% Borrower contribution is needed.

SOP 50 10 8.1, App. 3, "New Business," pp. 282 to 283

PCA NOTE Good news for add on acquisitions in another market: same NAICS, same owners and co borrowing is enough to avoid New Business treatment (and the related higher 504 contribution), wherever the target sits.

Buyer · Lender · CDC Source notice: 5000-872764

59 Appendix 3 definitions

NEW | MEDIUM IMPACT

Non-controlling Minority Equity Investments

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

To count as eligible equity, the investment may not be subject to any agreement to repay or make distributions to recover it before release of the SBA guaranty; the investor must hold less than 20% and exert no control. Lenders document all equity terms, including exit provisions. Where used for equity injection, only tax distributions are allowed until the 7(a) loan is repaid; additional equity may receive standard distributions subject to lender covenants.

SOP 50 10 8.1, App. 3, "Non-controlling Minority Equity Investments," p. 283

PCA NOTE Sits alongside the prior loss waiver's Non-controlling Minority Equity Investor concept (less than 20%, no control). Independent sponsors raising minority equity for injection should keep each investor under 20%, strip control rights, and expect tax only distributions for the life of the loan.

Buyer · Lender

60 Appendix 3 definitions

UNCHANGED | LOW IMPACT

Associate, Affiliate and Start Up Business

SOP 50 10 8 through 9/30/2026

Associate of a small business: officers, directors, owners of more than 20% of equity, Key Employees, and entities 20% owned by them. Start Up Business: operating (generating revenue) 1 year or less.

SOP 50 10 8, App. 3, "Associate" and "Start-Up Business," pp. 403 and 411

SOP 50 10 8.1 from 10/1/2026

Unchanged text. Note the Associate definition now has wider reach through the expanded Key Employee definition, and ¶ F no longer uses Associate status for the citizenship lookback.

SOP 50 10 8.1, App. 3, "Associate" and "Start-Up Business," pp. 277 and 287

PCA NOTE No wording change; practical effect shifts via Key Employee and the citizenship rewrite.

Buyer · Lender · CDC

CHANGE LOG

Uses of Proceeds, Occupancy, Fees and Agents

Chapter 3 (uses of proceeds, restrictions, the 51% and 60% occupancy rules, and leasing requirements) is essentially unchanged in SOP 50 10 8.1; the only edits add MARC to the revolving line exception and tighten the wording on delinquent income taxes. Chapter 4 carries the real changes: a new FMCSA SAFER Web check for motor carriers, a fresh statement of no objection for every loan to federal employees, a ban on Agents and LSPs located outside the United States, a bar on refinancing debt owed to an Agent involved in the loan, and a subsidy recoupment fee that now reaches loans extended to 15 years or more within 36 months. The 90 day combination rule now carves out WCP and EWCP loans (from PN 5000-872764), and the above 2% extraordinary servicing fee allowances moved into the CAPLines, EWCP and new MARC chapters. Fee levels themselves come from notices: the FY2027 7(a) notice (IN 5000-881797) cuts the manufacturer 0% Upfront Fee ceiling from $950,000 to $700,000 but extends it to food supply chain and rural businesses, and the FY2027 504 notice (IN 5000-881796) waives SBA fees for the same three groups with no size cap.

UNCHANGED 49 · CLARIFIED 7 · NEW 6 · LOOSENED 5 · TIGHTENED 4 · MOVED 1

1 Eligible uses of proceeds

UNCHANGED · MEDIUM IMPACT

All SBA loans: real estate, buildings, fixed assets, OREO

SOP 50 10 8 through 9/30/2026

Proceeds of any SBA loan may acquire land, improve a site (up to 5 percent for community improvements), purchase, convert, expand, renovate or construct buildings, and acquire and install fixed assets (504 fixed assets need a useful life of at least 10 years). Financing a lender's OREO requires an independent appraisal that cannot be delayed to closing and, for 7(a), a guaranty limited to the lesser of mortgage balance plus care and preservation costs or liquidation value (example: $1.2 million price, $1.0 million cost, 62.5% effective guaranty).

SOP 50 10 8, Sec. A, Ch. 3, ¶ A.1.a to A.1.g, p. 49

SOP 50 10 8.1 from 10/1/2026

Same list and same OREO rules, including the appraisal (with liquidation value for 7(a)) and the guaranty reduction when the sales price exceeds the lender's cost or liquidation value.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ A.1.a to A.1.g, p. 51

PCA NOTE PCA sees no change here. Buyers purchasing bank owned real estate should expect the guaranty to shrink if the price is above the lender's basis, so the price negotiation matters to the lender as much as to the buyer.

Buyer · Lender · CDC

2 Eligible uses of proceeds

UNCHANGED MEDIUM IMPACT

7(a) only: inventory, working capital, software, revolving lines

SOP 50 10 8 through 9/30/2026

For 7(a) only, proceeds may fund inventory, supplies, raw materials and working capital, including business software and cloud computing services; where an Operating Company is a co borrower with an EPC, proceeds may fund its working capital and intangible assets. Working capital may not refinance debt or fund an ineligible purpose. Revolving lines are allowed under CAPLines, SBA Express, Export Express and EWCP.

SOP 50 10 8, Sec. A, Ch. 3, ¶ A.2.a to A.2.f, pp. 49 to 50

SOP 50 10 8.1 from 10/1/2026

Text is unchanged. Note that ¶ A.2.e still lists only CAPLines, SBA Express, Export Express and EWCP for revolving lines, even though the restriction in ¶ B.4 now also excepts MARC.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ A.2.a to A.2.f, p. 52

PCA NOTE PCA reminds buyers that working capital in an acquisition loan cannot be used to quietly retire other debt; any payoff has to qualify under the refinancing rules in Appendix 14.

Buyer · Lender

3 Eligible uses of proceeds

UNCHANGED LOW IMPACT

Farm enterprises and excess land

SOP 50 10 8 through 9/30/2026

Farm land, buildings and improvements are eligible; for 7(a) only, farm machinery, seed, animals and operating expenses. Land beyond the operation's needs, or vacant or row crop land for future use or lease, is ineligible and must be financed from other documented sources.

SOP 50 10 8, Sec. A, Ch. 3, ¶ A.3, pp. 50 to 51

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ A.3, pp. 52 to 53

PCA NOTE No action needed; agricultural buyers should still carve excess acreage out of the SBA structure.

Buyer · Lender · CDC

4 Restrictions on uses of proceeds

UNCHANGED MEDIUM IMPACT

Payments to Associates

SOP 50 10 8 through 9/30/2026

Proceeds may not make payments, distributions or loans to an Associate of the Applicant, except fair compensation for services actually rendered or to facilitate 7(a) change of ownership loans under 13 CFR 120.202.

SOP 50 10 8, Sec. A, Ch. 3, ¶ B.1, p. 51

SOP 50 10 8.1 from 10/1/2026

Same restriction and same exception; the text still points to "Section B of this SOP" for change of ownership guidance, which now sits in Appendix 15.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ B.1, p. 53

PCA NOTE PCA notes the cross reference is stale: look to Appendix 15 for the change of ownership rules. Distributions to insiders out of loan proceeds remain off limits.

Buyer · Seller · Lender

5 Restrictions on uses of proceeds

UNCHANGED LOW IMPACT

SBIC or NMVCC debt, floor plan financing

SOP 50 10 8 through 9/30/2026

Proceeds may not refinance debt owed to an SBIC or NMVCC and may not fund floor plan financing.

SOP 50 10 8, Sec. A, Ch. 3, ¶ B.2 to B.3, p. 51

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ B.2 to B.3, p. 53

PCA NOTE Independent sponsors using SBIC mezzanine alongside SBA debt still cannot take it out later with SBA proceeds.

Lender · Buyer

6 Restrictions on uses of proceeds

LOOSENED MEDIUM IMPACT

Revolving lines of credit

SOP 50 10 8 through 9/30/2026

Revolving lines of credit are prohibited "except under SBA Express, CAPLines, Export Working Capital Program (EWCP), and Export Express programs."

SOP 50 10 8, Sec. A, Ch. 3, ¶ B.4, p. 51

SOP 50 10 8.1 from 10/1/2026

The exception list now also includes "Manufacturers' Access to Revolving Credit (MARC)."

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ B.4, p. 53

PCA NOTE PCA sees this as housekeeping that codifies the MARC revolver. Buyers of manufacturing companies now have a second revolving 7(a) option besides CAPLines.

Lender · Buyer Source notice: 5000-870260

7 Restrictions on uses of proceeds

UNCHANGED MEDIUM IMPACT

Future development, investment property and excess land

SOP 50 10 8 through 9/30/2026

Proceeds may not fund real or personal property held primarily for future development, sale, lease or investment (except EPC loans and Builders CAPLines), and excess land not for immediate project use is ineligible.

SOP 50 10 8, Sec. A, Ch. 3, ¶ B.5, p. 51

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ B.5, p. 53

PCA NOTE No change; land banking for a future expansion still has to be funded outside the SBA loan.

Buyer · Lender · CDC

8 Restrictions on uses of proceeds

CLARIFIED LOW IMPACT

Delinquent taxes

SOP 50 10 8 through 9/30/2026

Proceeds must not pay past due trust fund taxes (payroll, sales and similar taxes). "Payment of delinquent business income taxes may be permitted" if the Applicant has an approved IRS payment arrangement and is current on it.

SOP 50 10 8, Sec. A, Ch. 3, ¶ B.6, p. 51

SOP 50 10 8.1 from 10/1/2026

Adds the citation 13 CFR 120.130(e) and now reads "Payment only for delinquent business income taxes may be permitted" under an approved and current IRS payment arrangement.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ B.6, p. 53

PCA NOTE PCA reads the added word "only" as confirming that the exception covers federal business income taxes and nothing else; trust fund tax arrears remain a hard stop.

Lender · Buyer

9 Restrictions on uses of proceeds

UNCHANGED LOW IMPACT

504 relocation that cuts jobs

SOP 50 10 8 through 9/30/2026

504 proceeds may not finance a relocation out of a community that reduces the workforce by one third or more or substantially increases unemployment, unless the CDC justifies key economic reasons and net community benefit.

SOP 50 10 8, Sec. A, Ch. 3, ¶ B.7, p. 51

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ B.7, p. 53

PCA NOTE No action needed.

CDC · Buyer

10 Restrictions on uses of proceeds

UNCHANGED MEDIUM IMPACT

Shift of loss, affiliate benefit, C PACE, other 120.201 and 120.884 uses

SOP 50 10 8 through 9/30/2026

Proceeds may not pay a creditor in a position to shift a loss to SBA, may not fund a purpose that does not benefit the small business (including a loan for the benefit of an affiliate), and a C PACE loan may not be made on a property that has or will have a 7(a) or 504 loan, at origination or as a servicing action.

SOP 50 10 8, Sec. A, Ch. 3, ¶ B.8 to B.11, pp. 51 to 52

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ B.8 to B.11, pp. 53 to 54

PCA NOTE PCA flags the C PACE bar for buyers of real estate heavy businesses: any existing C PACE assessment has to be resolved before an SBA loan closes on that property.

Lender · CDC · Buyer

11 Occupancy requirements

UNCHANGED HIGH IMPACT

51% existing building, 60% new construction

SOP 50 10 8 through 9/30/2026

When proceeds purchase or improve real estate or refinance real estate debt: for an existing building the Applicant must occupy 51% of Rentable Property and may lease up to 49%; for new construction it must occupy 60%, may permanently lease up to 20% and temporarily lease another 20%, using some of that within 3 years and all within 10 years.

SOP 50 10 8, Sec. A, Ch. 3, ¶ C.1.a, p. 52

SOP 50 10 8.1 from 10/1/2026

Identical 51% and 60% rules.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ C.1.a, p. 54

PCA NOTE PCA sees no change. Buyers acquiring a building with the business should measure square footage early; a multi tenant building where the operating company uses less than 51% cannot be financed with SBA proceeds.

Buyer · Lender · CDC · Seller

12 Occupancy requirements

UNCHANGED HIGH IMPACT

EPC and Operating Company structure

SOP 50 10 8 through 9/30/2026

When an EPC owns the real estate, it must lease 100% of Rentable Property to eligible OC(s); the OC(s) must occupy 51% (existing) or 60% (new construction) and may sublease the balance on the same terms as above.

SOP 50 10 8, Sec. A, Ch. 3, ¶ C.1.b, p. 52

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ C.1.b, p. 54

PCA NOTE The standard buyer structure (real estate in a holding company leased to the operating company) still works if the master lease covers the whole building.

Buyer · Lender · CDC

13 Occupancy requirements

UNCHANGED MEDIUM IMPACT

Definition of Rentable Property

SOP 50 10 8 through 9/30/2026

Rentable Property is total square footage used for business operations, excluding stairways, elevators and mechanical areas and including common areas; it may include actively used exterior space (not parking), such as contractor yards or marina slips. In mixed commercial and residential zoned buildings the residential space may be occupied or rented, subject to the occupancy tests.

SOP 50 10 8, Sec. A, Ch. 3, ¶ C.1.c, p. 52

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ C.1.c, p. 54

PCA NOTE Businesses with outdoor yards should document actively used exterior space; it can help clear the 51% test.

Buyer · Lender · CDC

14 Occupancy requirements

UNCHANGED MEDIUM IMPACT

Time to meet occupancy; 504 closing

SOP 50 10 8 through 9/30/2026

The small business may have a period after closing to meet occupancy (for example a pre existing lease running a few more months), but never more than 1 year. A CDC may not submit a 504 closing package unless the Borrower is occupying and operating, absent advance written SLPC approval, followed by a 327 action certifying compliance.

SOP 50 10 8, Sec. A, Ch. 3, ¶ C.1.d, p. 53

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ C.1.d, p. 55

PCA NOTE Buyers relocating into a purchased building have at most 12 months to move in; 504 deals need the SLPC extension approved before closing, not after.

Buyer · CDC · Lender

15 Leasing out space

UNCHANGED MEDIUM IMPACT

Tenant type and improvements to leased out space

SOP 50 10 8 through 9/30/2026

Occupancy limits apply whether the tenant is commercial or residential. Proceeds may not improve or renovate Rentable Property subleased to a third party, and for 504 such improvements may not secure the Third Party Loan.

SOP 50 10 8, Sec. A, Ch. 3, ¶ C.1.e to C.1.f, p. 53

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ C.1.e to C.1.f, p. 55

PCA NOTE Tenant improvements for outside tenants must be funded with equity or non SBA debt.

Buyer · Lender · CDC

16 Leasing out space

UNCHANGED MEDIUM IMPACT

Tenants engaged in illegal activity

SOP 50 10 8 through 9/30/2026

For the life of the loan, pledged real estate or the business premises may not be leased to or occupied by a business engaged in, or facilitating, activity illegal under federal, state or local law (such as a marijuana dispensary); the lender or CDC must notify SBA counsel on learning of such a lease.

SOP 50 10 8, Sec. A, Ch. 3, ¶ C.1.g, p. 53

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ C.1.g, p. 55

PCA NOTE Buyers inheriting a rent roll should screen existing tenants, including cannabis related tenants, before closing.

Buyer · Lender · CDC

17 Occupancy requirements

UNCHANGED LOW IMPACT

Residential space as part of the business

SOP 50 10 8 through 9/30/2026

If the business requires a resident owner or manager, proceeds may fund buildings with residential space essential to the business, not exceeding 49% of the total property (for example a horse boarding facility); that space counts as occupied by the business.

SOP 50 10 8, Sec. A, Ch. 3, ¶ C.1.h, p. 53

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ C.1.h, p. 55

PCA NOTE Relevant to hospitality, boarding and campground acquisitions; the 49% cap is unchanged.

Buyer · Lender · CDC

18 Leased premises

UNCHANGED HIGH IMPACT

Leasehold improvements and lease term

SOP 50 10 8 through 9/30/2026

When the lesser of $500,000 or 30% of proceeds funds leasehold improvements, or the lesser of $500,000 or 30% of collateral is leasehold improvements or attached equipment, the lender must obtain the lease; for 7(a) the lease term including borrower only renewal options should equal or exceed the loan term, for 504 it must. If an assignment of lease and landlord waiver cannot be obtained, the lease term must cover the loan term for both programs and the attempt must be documented.

SOP 50 10 8, Sec. A, Ch. 3, ¶ C.2.a, p. 54

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ C.2.a, p. 56

PCA NOTE PCA advises buyers of leased location businesses to negotiate lease extensions or renewal options with the landlord during diligence, since a short remaining lease term can stall a 10 year SBA acquisition loan.

Buyer · Lender · CDC · Seller

19 Leased premises

UNCHANGED LOW IMPACT

Ground leases

SOP 50 10 8 through 9/30/2026

If proceeds finance improvements on a ground leasehold, the ground lease must permit encumbrance, bar modification or cancellation without lender approval, and give the lender rights to acquire and reassign the leasehold, sublease, and share in insurance and condemnation proceeds, plus default rights.

SOP 50 10 8, Sec. A, Ch. 3, ¶ C.2.b, p. 54

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ C.2.b, p. 56

PCA NOTE No action needed.

Lender · CDC · Buyer

20 Leased premises

UNCHANGED · LOW IMPACT

Landlord tenant improvement reimbursements

SOP 50 10 8 through 9/30/2026

If the landlord reimburses tenant improvements financed with the loan, the reimbursement must pay down the loan to a level that avoids the subsidy recoupment fee, with any remainder usable for working capital or rent, unless the lender documents that the reimbursement was factored into its working capital analysis.

SOP 50 10 8, Sec. A, Ch. 3, ¶ C.2.c, pp. 54 to 55

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ C.2.c, pp. 56 to 57

PCA NOTE Buyers negotiating TI allowances should tell the lender up front so the paydown mechanics are built into the approval.

Buyer · Lender

21 Leased premises

UNCHANGED · LOW IMPACT

Indian lands held in trust

SOP 50 10 8 through 9/30/2026

For loans secured by Indian trust lands, if a lien cannot be approved the lender may require an Assignment of Lease, which must be approved by the Secretary of the Interior or designee.

SOP 50 10 8, Sec. A, Ch. 3, ¶ C.2.d, p. 55

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ C.2.d, p. 57

PCA NOTE No action needed.

Lender · CDC

22 Ethics

UNCHANGED · MEDIUM IMPACT

No Agent required; conflicts of interest

SOP 50 10 8 through 9/30/2026

No one needs an Agent to conduct business with SBA. SBA will not guarantee a loan if the lender, its Associates, partners or a close relative has, or had within 6 months before application, a direct or indirect financial interest in the Applicant; SBA may be released if such an interest is acquired during the loan term.

SOP 50 10 8, Sec. A, Ch. 4, intro and ¶ A.1, p. 57

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 4, intro and ¶ A.1, p. 59

PCA NOTE Lenders or their insiders cannot take equity or seller notes in a deal they finance; that remains a guaranty killer.

Lender · Buyer · Broker

23 Ethics

UNCHANGED LOW IMPACT

Standards of Conduct reviews

SOP 50 10 8 through 9/30/2026

Applications involving a person who was an SBA Employee within 1 year go to the Standards of Conduct Counselor; a current SBA Employee or Household Member with 10% or more, or a Member of Congress, legislative or judicial employee, Small Business Advisory Council member or SCORE volunteer (or household member) with 10% or more, requires Standards of Conduct Committee approval.

SOP 50 10 8, Sec. A, Ch. 4, ¶ A.2, pp. 57 to 58

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ A.2, pp. 59 to 60

PCA NOTE No action needed beyond the usual owner screening.

Buyer · Lender

24 Ethics

TIGHTENED MEDIUM IMPACT

Federal employees GS-13 and above: statement of no objection

SOP 50 10 8 through 9/30/2026

If a 10% or more owner, officer or director (or household member) is an Executive Branch employee at GS-13 or equivalent, the Applicant must provide a statement of no objection from the agency ethics official; the lender sends it to SNOMemos@sba.gov and must receive SBA written clearance before submitting or approving under delegated authority.

SOP 50 10 8, Sec. A, Ch. 4, ¶ A.3, p. 58

SOP 50 10 8.1 from 10/1/2026

Same process, with an added sentence: "SBA requires a new statement of no objection for each loan."

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ A.3.b, p. 60

PCA NOTE PCA advises buyers who are federal employees (or whose spouses are) that a prior clearance cannot be reused; each new SBA loan, including a follow on acquisition or working capital loan, needs a fresh statement and a fresh SBA clearance.

Buyer · Lender · CDC

25 Debarment and exclusion

NEW HIGH IMPACT

SAFER Web verification for motor carriers

SOP 50 10 8 through 9/30/2026

Lenders search SAM Exclusions for the Applicant, its principals and related entities; there was no transportation specific check.

SOP 50 10 8, Sec. A, Ch. 4, ¶ B, p. 58

SOP 50 10 8.1 from 10/1/2026

Heading becomes "SAM.gov/SAFER Web." If FMCSA requires the Applicant to hold a USDOT number to operate (interstate passenger or cargo carriers), "in addition to the SAM exclusion search, the Lender must verify the USDOT number in the SAFER Web system (SAFER Web Company Snapshot)."

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ B, p. 60

PCA NOTE PCA expects this to affect trucking, logistics, moving and bus company acquisitions. Buyers should confirm before signing an LOI that the target's USDOT number is active and correctly addressed, because an inactive or mismatched record now blocks the loan.

Lender · Buyer · CDC

26 Debarment and exclusion

CLARIFIED LOW IMPACT

Parties covered by the SAM search

SOP 50 10 8 through 9/30/2026

SAM search evidence required for the Applicant; sole proprietor; general partners and 20% limited partners; 20% owners, officers and directors; 20% LLC members, officers, directors and managing members; "Any Key Employee"; "Any Trustor"; 20% entity owners; and both EPC and OC.

SOP 50 10 8, Sec. A, Ch. 4, ¶ B.1, pp. 58 to 59

SOP 50 10 8.1 from 10/1/2026

Same list, but item vi now reads "Living Trustor (if the Applicant business is owned by a trust)" and item v reads "Key Employees." Screenshots remain acceptable evidence.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ B.1, p. 61

PCA NOTE Lenders no longer need to run SAM searches on deceased trustors of family trusts; living trustors still must be searched.

Lender · CDC

27 Debarment and exclusion

UNCHANGED LOW IMPACT

Lender staff, Agents, LSPs and contractors

SOP 50 10 8 through 9/30/2026

A one time SAM search, before the first day of SBA related work, must be documented for lender employees involved in the loan, Agents, 7(a) LSPs and their employees, and 504 professional services contractors.

SOP 50 10 8, Sec. A, Ch. 4, ¶ B.2, p. 59

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ B.2, p. 61

PCA NOTE Brokers and packagers should expect lenders to keep asking for SAM clearance on file.

Lender · CDC · Broker

28 Debarment and exclusion

NEW | HIGH IMPACT

SAFER Web documentation

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

For companies FMCSA requires to have a USDOT number, the lender must keep evidence of the SAFER Web search (for example a screenshot) showing "An Active USDOT number, in good standing" and "A physical address that matches the physical address of the company (no P.O. boxes)."

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ B.3, p. 61

PCA NOTE PCA suggests buyers of carriers get the SAFER record updated to the operating address before closing, and plan how the USDOT number carries over in an asset purchase.

Lender · Buyer

29 7(a) fees

CLARIFIED | LOW IMPACT

System references: E-Tran replaced by SBA Loan System

SOP 50 10 8 through 9/30/2026

Fee calculations, use of proceeds lines for the Upfront Fee, fee disclosures and Form 159 generation all reference E-Tran and the E-Tran Terms and Conditions.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C and D (throughout), pp. 59 to 77

SOP 50 10 8.1 from 10/1/2026

References change to "the SBA Loan System" and "SBA Terms and Conditions" (Form 159 upload to "E-Tran Servicing, or successor SBA Loan System").

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C and D (throughout), pp. 62 to 80

PCA NOTE Terminology only; no change in what lenders must enter.

Lender

30 7(a) fees

UNCHANGED | MEDIUM IMPACT

Upfront Fee basics and payment from proceeds

SOP 50 10 8 through 9/30/2026

The lender pays the Upfront Fee and may pass it to the Borrower; SBA calculates it, adjusting for loans within 90 days. The Borrower may finance it, but the first disbursement may not be made primarily to pay it, and with an escrow closing the lender may charge it only after all funds leave escrow.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.1.a, pp. 59 to 60

SOP 50 10 8.1 from 10/1/2026

No substantive change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.1.a, p. 62

PCA NOTE Buyers can still roll the guaranty fee into the loan, which matters for equity injection math on acquisitions.

Lender · Buyer

31 7(a) fees

UNCHANGED HIGH IMPACT

Maximum Upfront Fee chart

SOP 50 10 8 through 9/30/2026

Maturity over 12 months: 2% of the guaranteed portion for loans of $150,000 or less (lender may retain 25%); 3% for $150,001 to $700,000; 3.5% of the guaranteed portion up to $1,000,000 plus 3.75% above that for $700,001 to $5,000,000; 0.25% for maturities of 12 months or less. Note 1 says SBA may announce temporary changes each fiscal year by Information Notice. Example: $5,000,000 loan at 75% guaranty pays $138,125.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.1.a.i, p. 60

SOP 50 10 8.1 from 10/1/2026

Identical chart, notes and examples.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.1.a.i, p. 62

PCA NOTE PCA reminds buyers that the chart is a ceiling; the fee actually charged is set each fiscal year by Information Notice, and both FY2026 and FY2027 notices kept the standard tiers.

Buyer · Lender Source notice: 5000-872051; 5000-881797

32 7(a) fees

LOOSENED HIGH IMPACT

FY2026 fee notice (loans approved 10/1/2025 to 9/30/2026)

SOP 50 10 8 through 9/30/2026

The SOP chart applies unless SBA announces temporary fiscal year changes by Information Notice.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.1.a.i, Note 1, p. 60

SOP 50 10 8.1 from 10/1/2026

IN 5000-872051 set the FY2026 Lender's Annual Service Fee at 0.55% (including WCP) and an Upfront Fee of 0% for loans of $950,000 or less to manufacturers (NAICS 31 to 33), not applicable to MARC loans; other tiers stayed at 2%, 3% and 3.5%/3.75%, 0.25% short term, $0 for SBA Express to veterans, and maturity based fees for WCP and EWCP.

IN 5000-872051, applied under SOP 50 10 8, Sec. A, Ch. 4, ¶ C.1.a.i, Note 1, p. 60

PCA NOTE Loans approved through September 30, 2026 under SOP 50 10 8 carry the FY2026 fee terms even if they close later.

Buyer · Lender Source notice: 5000-872051

33 7(a) fees

LOOSENED HIGH IMPACT

FY2027 fee notice: relief extended to food supply chain and rural businesses

SOP 50 10 8 through 9/30/2026

FY2026 Upfront Fee relief applied only to manufacturers (NAICS 31 to 33).

IN 5000-872051 (FY2026)

SOP 50 10 8.1 from 10/1/2026

IN 5000-881797 sets a 0% Upfront Fee for loans of $700,000 or less to manufacturers, listed food supply chain NAICS codes (for example 1111 to 1129 farming and ranching, 1141, 1151, 1152, 423820, 4244, 4245, 424910, 445110, refrigerated and farm product trucking under 484220 and 484230, 493120 and 493130) and businesses located in a Rural Area, for loans approved October 1, 2026 to September 30, 2027. The annual service fee stays 0.55%.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.1.a.i, Note 1, pp. 62 to 63; Rural Area defined in App. 3, p. 285

PCA NOTE PCA sees a real saving for acquisitions of rural businesses (county at least 30 percent rural per Census) and food supply chain companies at or under $700,000. Buyers should confirm the target's NAICS code and county classification before the lender books the fee.

Buyer · Lender Source notice: 5000-881797

34 7(a) fees

TIGHTENED HIGH IMPACT

FY2027 fee notice: manufacturer relief ceiling cut

SOP 50 10 8 through 9/30/2026

FY2026: 0% Upfront Fee for manufacturer loans of $950,000 or less (excluding MARC).

IN 5000-872051 (FY2026)

SOP 50 10 8.1 from 10/1/2026

FY2027: manufacturer relief applies only to loans of $700,000 or less; manufacturer loans from $700,001 to $950,000 return to the standard 3.5% (and 3.75% above $1,000,000 guaranteed) tier.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.1.a.i, Note 1, pp. 62 to 63

PCA NOTE A buyer of a manufacturer with an $800,000 to $950,000 loan approved on or after October 1, 2026 pays roughly $21,000 to $25,000 more in guaranty fee at a 75% guaranty than under FY2026; loan sizing around the $700,000 line now matters.

Buyer · Lender Source notice: 5000-881797

35 7(a) fees

UNCHANGED MEDIUM IMPACT

SBA Express veteran fee waiver

SOP 50 10 8 through 9/30/2026

For SBA Express only, the Upfront Fee is waived for businesses owned and controlled by a veteran (other than dishonorable or bad conduct discharge), service disabled veterans, active duty members in TAP, or the spouse of a veteran or active duty member, or a widowed spouse of a service member who died in service or of a service connected disability.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.1.a.i, p. 60

SOP 50 10 8.1 from 10/1/2026

Same text. The FY2027 notice describes the waiver as applying to businesses owned and controlled by "a veteran or spouse of a veteran" under section 7(a)(31)(G) of the Small Business Act and requires lenders to document eligibility in the loan file.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.1.a.i, p. 63

PCA NOTE Veteran buyers using SBA Express (up to the Express limit) should hand the lender DD 214 support early so the waiver is documented.

Buyer · Lender Source notice: 5000-872051; 5000-881797

36 7(a) fees

NEW MEDIUM IMPACT

90 day rule: WCP and EWCP carve out

SOP 50 10 8 through 9/30/2026

If more than one 7(a) loan with maturity over 12 months is approved for an Applicant or its affiliates within 90 days, the loans are treated as one loan for the guaranty percentage and the Upfront Fee, whether made by the same or different lenders.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.1.a.ii.a, pp. 60 to 61

SOP 50 10 8.1 from 10/1/2026

The rule now begins "Except for scenarios involving Working Capital Pilot (WCP) and Export Working Capital Program (EWCP) loans." When a WCP or EWCP loan is within 90 days of another 7(a) loan, amounts are combined to set the guaranty percentage and manufacturer fee relief, but for the Upfront Fee itself "WCP and EWCP loans are not combined with any other 7(a) loans since their guaranty fees are based on the maturity."

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.1.a.ii.a, p. 63

PCA NOTE PCA sees this as helpful for buyers pairing a term acquisition loan with a WCP line: the line keeps its low maturity based fee instead of being priced at the term loan's tier, though the combined size still counts toward guaranty limits and the fee relief ceiling.

Buyer · Lender Source notice: 5000-872764; 5000-872051; 5000-881797

37 7(a) fees

UNCHANGED MEDIUM IMPACT

90 day rule: mechanics for subsequent, short term, renewed and increased loans

SOP 50 10 8 through 9/30/2026

The fee on subsequent loans equals the combined fee less the fee on the first loan; a short and long term pair combines for guaranty percentage but fees follow each maturity; a renewed short term loan extended past 12 months is repriced as long term; the rule applies to increases within 90 days even if one loan is repaid.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.1.a.ii.b to e, p. 61

SOP 50 10 8.1 from 10/1/2026

Same text. The FY2027 notice adds that the subsequent fee is reduced by the fee "paid or is due to be paid" on the first loan, that the fee "will never be a negative amount," and that lenders may not split loans to avoid fees.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.1.a.ii.b to e, pp. 63 to 64

PCA NOTE Buyers planning a real estate loan and a business acquisition loan close together should expect SBA to price them as one loan if approved within 90 days.

Lender · Buyer   Source notice: 5000-881797

38 7(a) fees

UNCHANGED MEDIUM IMPACT

When the Upfront Fee is due

SOP 50 10 8 through 9/30/2026

Short term loans: pay through pay.gov within 10 business days of loan number or the guaranty is cancelled; EWCP reissued after 12 months pays a new fee. Loans over 12 months: pay within 90 days of approval or the guaranty is cancelled; the due date "MAY NOT BE WAIVED OR EXTENDED EVEN IF THE DISBURSEMENT PERIOD IS EXTENDED." The obligation does not depend on the Borrower paying the lender.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.1.a.iii, pp. 61 to 62

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.1.a.iii, p. 64

PCA NOTE For slow closing acquisitions, the lender owes the fee 90 days after approval whether or not the deal has closed, so lenders may time approval accordingly.

Lender

39 7(a) fees

UNCHANGED MEDIUM IMPACT

Loan increases and short term extensions

SOP 50 10 8 through 9/30/2026

An increase triggers an additional Upfront Fee, computed under the rules in effect at original approval, payable within 30 days or the whole guaranty is cancelled; it stays due if a disbursed loan's increase is later cancelled. Extending a short term loan beyond 12 months triggers an additional fee within 30 days; no fee for extensions made to effect collection.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.1.a.iv to v, p. 62

SOP 50 10 8.1 from 10/1/2026

Same text. The FY2027 notice adds that on an increase the Lender's Annual Service Fee is recalculated on the revised loan amount.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.1.a.iv to v, p. 65

PCA NOTE Buyers asking for an increase after closing pay the fee at the original year's rates; plan for it in the sources and uses.

Lender · Buyer Source notice: 5000-881797

40 7(a) fees

UNCHANGED LOW IMPACT

Method of payment

SOP 50 10 8 through 9/30/2026

Pay electronically by SBA approved bulk ACH or pay.gov (form type 1544, "guaranty") once a loan number is issued.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.1.a.vi, pp. 62 to 63

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.1.a.vi, p. 65

PCA NOTE No action needed.

Lender

41 7(a) fees

CLARIFIED LOW IMPACT

Reinstatement after cancellation for nonpayment

SOP 50 10 8 through 9/30/2026

Written request "to either the LGPC or by email to FSC.Servicing@sba.gov" under Section B, Ch. 5; fee due within 30 days of reinstatement; request must include no adverse change certification, currency and 1502 reporting certification if disbursed, and an explanation.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.1.a.vii, p. 63

SOP 50 10 8.1 from 10/1/2026

Request goes by email to the LGPC at 7aLoanMod@sba.gov "if not fully disbursed," or to the Commercial Loan Servicing Center at FSC.Servicing@sba.gov "if the loan is fully disbursed," under Section B, Ch. 6. Other requirements unchanged.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.1.a.vii, p. 65

PCA NOTE Lender operations teams should update their routing: disbursement status now decides which SBA center gets the request.

Lender

42 7(a) fees

UNCHANGED | LOW IMPACT

Upfront Fee refunds

SOP 50 10 8 through 9/30/2026

Full refund only for loans over 12 months cancelled before closing and initial disbursement; no refund after initial disbursement or, for short term loans, after the loan number issues. Partial refund if a reduction is approved before closing and initial disbursement.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.1.a.viii, pp. 63 to 64

SOP 50 10 8.1 from 10/1/2026

No change beyond SBA Loan System terminology.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.1.a.viii, p. 66

PCA NOTE Buyers who expect to borrow less should get the loan reduced before first disbursement to recover part of the fee.

Lender · Buyer

43 7(a) fees

UNCHANGED | MEDIUM IMPACT

Lender's Annual Service Fee

SOP 50 10 8 through 9/30/2026

The lender pays an annual service fee on the guaranteed portion, set each fiscal year by Information Notice; it "cannot be charged to the Borrower"; loans within 90 days are not aggregated; paid monthly with SBA Form 1502.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.1.b, p. 64

SOP 50 10 8.1 from 10/1/2026

Same rules; EWCP payment option cross reference moves to Section B, Ch. 5, ¶ B.4.e. FY2026 and FY2027 notices both set the fee at 0.55% of the guaranteed balance, including WCP loans.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.1.b, p. 67

PCA NOTE The annual fee is priced into the lender's rate, not billed to the borrower, and is flat at 0.55% for both fiscal years.

Lender · Buyer   Source notice: 5000-872051; 5000-881797

44 Fees lender may charge

UNCHANGED | HIGH IMPACT

Packaging fees and technology fees

SOP 50 10 8 through 9/30/2026

Lender may charge reasonable packaging fees; may not charge twice for the same service or pass through LSP fees; must disclose in writing that unwanted services are not required and itemize fees; may include technology fees; may charge a flat fee up to $2,500 without documentation; above $2,500 needs SBA Form 159 and, on a percentage basis, the lesser of its non SBA practice or 5% for loans of $150,000 or less, 3% above $150,000, capped at $30,000.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.2.a.i to v, pp. 64 to 65

SOP 50 10 8.1 from 10/1/2026

No substantive change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.2.a.i to v, pp. 67 to 68

PCA NOTE PCA reminds buyers that lender packaging fees on a $2 million acquisition loan can reach $30,000 and should be negotiated and itemized in the term sheet.

Buyer · Lender · Broker

45 Fees lender may charge

UNCHANGED MEDIUM IMPACT

No fee splitting

SOP 50 10 8 through 9/30/2026

A lender may not split a loan to charge an extra fee; one fee within the maximums applies to the combined amount, but loans approved more than 90 days apart are a different project.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.2.a.vi, p. 65

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.2.a.vi, p. 68

PCA NOTE A term loan plus a line from the same lender should carry one packaging fee.

Lender · Buyer

46 Fees lender may charge

MOVED MEDIUM IMPACT

Extraordinary servicing fee: 2% cap and program exceptions

SOP 50 10 8 through 9/30/2026

Extraordinary servicing fee capped at 2% per year on the balance needing special servicing, and only if the lender charges it on similar non SBA loans. Subparagraph ii allowed fees above 2% for EWCP or Working Capital CAPLine loans disbursed against a Borrowing Base Certificate; SBA prior approval required (the loan number serves as approval for delegated loans).

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.2.b.i to iii, pp. 65 to 66

SOP 50 10 8.1 from 10/1/2026

The 2% cap now applies "unless otherwise specified in Section B, 7(a) Loan Program Specific Requirements." The above 2% allowance for Working Capital CAPLines moves to Sec. B, Ch. 4, ¶ D.1 (p. 155) and for EWCP to Sec. B, Ch. 5, ¶ B.6 (p. 172), both "at the time of the annual review." The approval subparagraph (now ii) still refers to "Subparagraph b. i. and b. ii." although b.ii was removed.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.2.b.i to ii, pp. 68 to 69; Sec. B, Ch. 4, ¶ D.1, p. 155; Sec. B, Ch. 5, ¶ B.6, p. 172

PCA NOTE Asset based borrowers should read the program chapter, not just Chapter 4, to see the fee ceiling that applies.

Lender · Buyer

47 Fees lender may charge

NEW MEDIUM IMPACT

MARC loan servicing fees

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

For MARC loans, at the annual review the lender may charge an extraordinary servicing fee of up to 50 basis points on the maximum loan amount (not on termed out loans), or, if administered as an asset based line, up to 2% of the outstanding balance, which may be assessed "independent of" the lender's non SBA practices; only one category may be charged.

SOP 50 10 8.1, Sec. B, Ch. 3, ¶ D, p. 142

PCA NOTE Buyers of manufacturers using a MARC revolver should budget up to 0.50% a year on the full commitment, or up to 2% if the lender runs it as a borrowing base line.

Lender · Buyer Source notice: 5000-870260

48 Fees lender may charge

UNCHANGED · LOW IMPACT

Actions that are not extraordinary servicing

SOP 50 10 8 through 9/30/2026

No fees for changing installments to fully amortize, changing installments after deferment, releasing or exchanging collateral (recording costs allowed), or any modification of repayment terms.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.2.b.iv, p. 66

SOP 50 10 8.1 from 10/1/2026

Same list, renumbered iii.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.2.b.iii, p. 69

PCA NOTE Borrowers should push back on modification or collateral release fees; they remain prohibited.

Lender · Buyer

49 Fees lender may charge

UNCHANGED · MEDIUM IMPACT

Out of pocket and legal fees

SOP 50 10 8 through 9/30/2026

Lender may collect itemized out of pocket closing costs (filing, recording, appraisals, environmental reports). Legal fees must be for work by or under a licensed attorney, charged hourly; in house counsel reimbursement may not exceed outside counsel cost. These costs are not reported on Form 159.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.2.c, pp. 66 to 67

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.2.c, pp. 69 to 70

PCA NOTE Flat fee closing counsel charges passed to the borrower remain impermissible; ask for hourly bills.

Lender · Buyer

50 Fees lender may charge

UNCHANGED · LOW IMPACT

Late payment and assumption fees

SOP 50 10 8 through 9/30/2026

Late fee up to 5% of the regular payment when more than 10 days delinquent. Assumption fee consistent with the lender's non SBA practice, capped at 1% of the outstanding principal, payable by seller or assumptor.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.2.d to e, p. 67

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.2.d to e, p. 70

PCA NOTE Buyers assuming a seller's SBA loan should cap assumption fees at 1% in the purchase agreement.

Lender · Buyer · Seller

51 Prepayment

TIGHTENED HIGH IMPACT

Subsidy recoupment fee on maturity extensions

SOP 50 10 8 through 9/30/2026

For loans with maturity of 15 years or longer, the Borrower pays SBA 5%, 3% or 1% of a voluntary prepayment exceeding 25% in any year during the first 3 years after first disbursement; death is not voluntary; other involuntary prepayment determinations go through CLSC to D/OFPO and D/FA.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.3, pp. 67 to 68

SOP 50 10 8.1 from 10/1/2026

Same fee, plus: "The Subsidy Recoupment Fee would also apply to any loan originally made with a maturity of less than 15 years, when the maturity is extended to 15 years or more during the first 36 months of the loan. Any prepayments made prior to the maturity extension are subject to the subsidy recoupment fee."

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.3, p. 70

PCA NOTE PCA flags this for buyers who take a 10 year acquisition loan and then stretch it: an extension to 15 years or more in the first 36 months makes earlier large prepayments, and later ones, subject to the 5/3/1 fee.

Buyer · Lender · Seller

52 Prohibited fees

UNCHANGED HIGH IMPACT

Commitment, broker, prepayment and similar fees

SOP 50 10 8 through 9/30/2026

Any fee not expressly permitted by 13 CFR 120.221 is prohibited, including tying other services, commitment, bonus, origination, broker, commission or referral fees charged by the lender, points or add on interest, prepayment fees, renewal fees, and sharing secondary market premium with a Service Provider, Packager or other non employee referral source.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.4, p. 68

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.4, p. 71

PCA NOTE Lenders still cannot charge their own prepayment penalty on a 7(a) loan; only the SBA subsidy recoupment fee applies.

Lender · Buyer · Broker

53 Use of Agents (7(a))

UNCHANGED MEDIUM IMPACT

Oversight of Agents; written notice that services are optional

SOP 50 10 8 through 9/30/2026

Before services are provided the lender must advise the Applicant in writing that it need not obtain or pay for unwanted services; lenders must oversee third party vendors with written policies and monitor agent referred loans; D/OCRM may suspend or revoke an Agent for good cause; Privacy Act limits on discussing a loan with unverified agents.

SOP 50 10 8, Sec. A, Ch. 4, ¶ D intro and D.1.a to c, pp. 68 to 69

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ D intro and D.1.a to c, pp. 71 to 72

PCA NOTE Brokers should keep written authority from clients on file; SBA and lenders can refuse to talk without it.

Lender · Broker

54 Use of Agents (7(a))

CLARIFIED LOW IMPACT

Agent hired by the Applicant

SOP 50 10 8 through 9/30/2026

Heading "Employment of Agent Initiated by Applicant." Agent paid by the Applicant must be reasonable, compliant and not contingent; a packager may also be the Applicant's referral agent within the combined fee caps; an agent may be the lender's referral agent and the Applicant's packager if both know and fees are not crossed.

SOP 50 10 8, Sec. A, Ch. 4, ¶ D.1.d, p. 69

SOP 50 10 8.1 from 10/1/2026

Heading shortened to "Employment of Agent by Applicant"; substance unchanged.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ D.1.d, p. 72

PCA NOTE No substantive change.

Broker · Buyer

55 Use of Agents (7(a))

TIGHTENED MEDIUM IMPACT

Lender paid Agents cannot be funded from working capital

SOP 50 10 8 through 9/30/2026

When a lender hires an Agent (not an LSP), the Agent bills the lender and the lender may not pass the charges to the Applicant "or pay them with SBA guaranteed loan proceeds under any circumstances."

SOP 50 10 8, Sec. A, Ch. 4, ¶ D.1.e.iii, p. 70

SOP 50 10 8.1 from 10/1/2026

Adds "including with loan proceeds allocated to working capital."

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ D.1.e.iii, p. 73

PCA NOTE PCA reads this as closing a workaround: a lender's closing or secondary market vendor cannot be paid out of the borrower's working capital line item.

Lender · Broker · Buyer

56 Use of Agents (7(a))

NEW HIGH IMPACT

Foreign Agents and LSPs prohibited

SOP 50 10 8 through 9/30/2026

Agent defined as an authorized representative (attorney, accountant, consultant, packager, LSP or other); no location requirement.

SOP 50 10 8, Sec. A, Ch. 4, ¶ D.2.a, p. 70

SOP 50 10 8.1 from 10/1/2026

Adds: "Lenders may not use Lender Service Providers or any type of Agent that is not located in the United States, its territories, or possessions."

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ D.2.a, p. 73

PCA NOTE Lenders and packagers using offshore underwriting, spreading or document prep vendors must bring that work onshore; buyers should ask any broker where its team sits.

Lender · Broker

57 Use of Agents (7(a))

NEW · HIGH IMPACT

No refinancing of debt owed to an Agent

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

"The SBA loan may not refinance a debt where the creditor is an Agent involved in the Loan (e.g. a Referral Agent)."

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ D.2.f, p. 73

PCA NOTE PCA notes this hits brokers or advisors who provide bridge or seller side financing and then refer the SBA takeout; that debt can no longer be refinanced by the loan they helped arrange.

Broker · Lender · Buyer

58 Use of Agents (7(a))

UNCHANGED · MEDIUM IMPACT

Form 159 signatures, dual compensation, contingency fees

SOP 50 10 8 through 9/30/2026

LSPs under SBA reviewed agreements need no Form 159 and their fees cannot be passed to the Applicant; all other Agents require Form 159 signed by Applicant, Agent and lender (lender signs twice if also the Agent); an Agent may be paid by both only for packaging from the Applicant and a referral fee from the lender; no contingency fees.

SOP 50 10 8, Sec. A, Ch. 4, ¶ D.2.b to e, p. 70

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ D.2.b to e, p. 73

PCA NOTE Success fees tied to closing remain prohibited for SBA loan work; brokers must bill for services performed.

Broker · Lender · Buyer

59 Use of Agents (7(a))

UNCHANGED · MEDIUM IMPACT

Referral agents

SOP 50 10 8 through 9/30/2026

A Referral Agent refers an Applicant to a lender or vice versa, is paid by one side but not both, and must disclose its customer and all fees on SBA Form 159.

SOP 50 10 8, Sec. A, Ch. 4, ¶ D.3, p. 70

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ D.3, p. 73

PCA NOTE Referral fees remain allowed but must be on Form 159.

Broker · Lender

60 Use of Agents (7(a))

UNCHANGED MEDIUM IMPACT

Packagers, LSPs and LSP Agreements

SOP 50 10 8 through 9/30/2026

Packager and LSP definitions; lender retains day to day responsibility; every LSP agreement goes to LSPagreements@sba.gov, including changes and terminations; agents that prequalify or deliver underwritten applications are LSPs; no power of attorney; borrower payment accounts in the lender's name; required agreement terms (services, compensation not contingent, no premium sharing, term with termination on about 60 days, disclosures).

SOP 50 10 8, Sec. A, Ch. 4, ¶ D.4 to D.6, pp. 70 to 74

SOP 50 10 8.1 from 10/1/2026

No substantive change (SBA Loan System terminology).

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ D.4 to D.6, pp. 74 to 77

PCA NOTE Fintech referral platforms that prescreen borrowers still need an SBA reviewed LSP agreement, and now must be located in the United States.

Lender · Broker

61 Agent fees (7(a))

UNCHANGED HIGH IMPACT

Fees an Agent may charge an Applicant

SOP 50 10 8 through 9/30/2026

Agents may charge for packaging and for consulting, broker or referral services; fees must be reasonable and consistent with the lender's non SBA practice; fees over $2,500 need documentation; hourly has no cap; percentage fees capped (all services combined) at 3% for loans of $50,000 or less, 2% up to the first $1,000,000 plus 0.25% above, with a $30,000 aggregate maximum; no flat fees charged to all applicants, no contingency fees. Lenders must review agent fees on complaints and report to D/OCRM.

SOP 50 10 8, Sec. A, Ch. 4, ¶ D.7, pp. 74 to 75

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ D.7, pp. 77 to 78

PCA NOTE PCA notes the broker fee cap on a $5 million loan is still $30,000 (2% of $1,000,000 plus 0.25% of $4,000,000); buyers should compare any engagement letter against it.

Broker · Buyer · Lender

62 Form 159

CLARIFIED · MEDIUM IMPACT

Disclosure and submission

SOP 50 10 8 through 9/30/2026

Lenders must record in E-Tran whether fees were charged and whether an Agent was involved, with the Agent's address; separate Form 159 per Agent and per application; itemize when one Agent's fees exceed $2,500; upload to E-Tran Servicing with the 1502 report within two 1502 cycles after initial disbursement.

SOP 50 10 8, Sec. A, Ch. 4, ¶ D.8, pp. 75 to 77

SOP 50 10 8.1 from 10/1/2026

Same requirements, entered in "the SBA Loan System" and uploaded to "E-Tran Servicing, or successor SBA Loan System" within two SBA Form 1502 reporting cycles.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ D.8, pp. 78 to 80

PCA NOTE No new burden; the deadline still runs from initial disbursement.

Lender · Broker

63 Form 159

UNCHANGED · LOW IMPACT

Parties that are not Agents

SOP 50 10 8 through 9/30/2026

No Form 159 for the Applicant's ordinary course accountant, lender engaged appraiser, LSP under reviewed agreement, Qualified Source business valuator engaged by the lender, environmental professional, closing attorney, or real estate agent earning a commission.

SOP 50 10 8, Sec. A, Ch. 4, ¶ D.8.d.iii, p. 77

SOP 50 10 8.1 from 10/1/2026

Same list (the parenthetical pointer to Appendix 3 for Qualified Source is dropped).

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ D.8.d.iii, pp. 79 to 80

PCA NOTE Business brokers on the sell side are not in this exclusion list; if they also help the buyer obtain financing, Form 159 applies.

Lender · Broker

64 504 fees

UNCHANGED · LOW IMPACT

Borrower deposit

SOP 50 10 8 through 9/30/2026

CDC may require a deposit of the lesser of $2,500 or 1% of Net Debenture Proceeds, refunded within 10 business days on decline, applied to the processing fee on approval, and reduced only by documented costs (not a percentage) on withdrawal.

SOP 50 10 8, Sec. A, Ch. 4, ¶ E.1, pp. 77 to 78

SOP 50 10 8.1 from 10/1/2026

No change (SBA Terms and Conditions terminology).

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ E.1, p. 80

PCA NOTE No action needed.

CDC · Buyer

65 504 fees

UNCHANGED MEDIUM IMPACT

Allowable 504 borrower fees table

SOP 50 10 8 through 9/30/2026

CDC processing fee up to 1.5% of the net debenture; closing fee with up to $10,000 financeable; servicing fee 0.625% to 2% a year (above 1.5% rural or 1% elsewhere needs SBA approval); late fee 5% or $100; assumption fee up to 1%; underwriter fee 0.4% (20 and 25 year) or 0.375% (10 year); SBA guaranty and annual fees per fiscal year notices; 0.50% participation fee on the senior lien; 0.125% CDC fee; 0.25% funding fee.

SOP 50 10 8, Sec. A, Ch. 4, ¶ E.2, pp. 78 to 79

SOP 50 10 8.1 from 10/1/2026

Identical table.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ E.2, pp. 81 to 82

PCA NOTE Buyers comparing 504 and 7(a) for real estate should model these CDC and debenture fees alongside the SBA fees in the notices.

CDC · Buyer · Lender

66 504 fees

LOOSENED HIGH IMPACT

FY2026 504 SBA fees (loans approved 10/1/2025 to 9/30/2026)

SOP 50 10 8 through 9/30/2026

SOP table directs readers to sba.gov notices for the SBA guaranty (upfront) and annual fees.

SOP 50 10 8, Sec. A, Ch. 4, ¶ E.2 (SBA Fees rows 1, 2 and 5), p. 79

SOP 50 10 8.1 from 10/1/2026

IN 5000-871532 waived both the upfront guaranty fee and the annual service fee for 504 loans to manufacturers (NAICS 31 to 33), including debt refinance with or without expansion; all others paid 0.50% upfront and 0.209% annual (0.2115% for Debt Refinance without Expansion).

IN 5000-871532, applied under SOP 50 10 8, Sec. A, Ch. 4, ¶ E.2 (SBA Fees rows 1, 2 and 5), p. 79

PCA NOTE 504 loans approved in FY2026 keep these rates for the life of the loan.

CDC · Buyer Source notice: 5000-871532

67 504 fees

LOOSENED HIGH IMPACT

FY2027 504 SBA fees (loans approved 10/1/2026 to 9/30/2027)

SOP 50 10 8 through 9/30/2026

FY2026: fee waiver only for manufacturers; others 0.50% upfront and 0.209% annual (0.2115% refinance without expansion).

IN 5000-871532 (FY2026)

SOP 50 10 8.1 from 10/1/2026

IN 5000-881796 waives the upfront and annual fees for 504 loans to manufacturers, listed food supply chain NAICS codes and businesses located in a Rural Area (including both debt refinance options); all other 504 loans pay 0.50% upfront and 0.203% annual (0.204% for Debt Refinance without Expansion). Unlike 7(a), there is no loan size ceiling on the waiver.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ E.2 (SBA Fees rows 1, 2 and 5), p. 82; Rural Area defined in App. 3, p. 285

PCA NOTE PCA sees FY2027 504 as especially attractive for rural and food supply chain owner occupied real estate: no SBA upfront or annual fee on the debenture, with no size cap, while the annual fee also dips for everyone else.

CDC · Buyer   Source notice: 5000-881796

68 504 fees

UNCHANGED LOW IMPACT

CDC fees for other services, referral fees and technology fees

SOP 50 10 8 through 9/30/2026

CDC may be paid for other services under a written agreement but may not condition a 504 application on them; referral fees for locating third party financing must be contractual with the Third Party Lender and not paid by the Borrower or from debenture proceeds; technology fees may not be passed to the Borrower.

SOP 50 10 8, Sec. A, Ch. 4, ¶ E.3, pp. 79 to 80

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ E.3, p. 83

PCA NOTE No action needed.

CDC · Lender

69 Use of Agents (504)

UNCHANGED MEDIUM IMPACT

504 Agents, Form 159 and contractors

SOP 50 10 8 through 9/30/2026

CDCs must oversee vendors; professional services contractors under SBA approved contracts need no Form 159; other Agents need Form 159 signed by Applicant, CDC and Agent; dual pay only for Applicant packaging plus CDC referral fee; no contingency fees; D/OCRM may suspend or revoke; Privacy Act limits.

SOP 50 10 8, Sec. A, Ch. 4, ¶ E.4, pp. 80 to 81

SOP 50 10 8.1 from 10/1/2026

Same rules; the eCFR web link for "good cause" is replaced with a citation to 13 CFR 103.4. The new 7(a) bans on foreign Agents and on refinancing Agent held debt are not repeated in the 504 section.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ E.4, pp. 83 to 84

PCA NOTE PCA notes the United States location and Agent debt rules were added only in the 7(a) Agents section; CDCs should still expect SBA to apply them by analogy.

CDC · Broker

70 Agent fees (504)

UNCHANGED · MEDIUM IMPACT

Fees an Agent may charge a 504 Applicant

SOP 50 10 8 through 9/30/2026

Same caps as 7(a): over $2,500 documented; hourly uncapped but documented; percentage basis 3% for loans of $50,000 or less, 2% up to $1,000,000 plus 0.25% above, $30,000 aggregate; no flat or contingency fees; CDC reviews on complaint.

SOP 50 10 8, Sec. A, Ch. 4, ¶ E.5, pp. 81 to 83

SOP 50 10 8.1 from 10/1/2026

No change.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ E.5, p. 85

PCA NOTE No action needed.

Broker · Buyer · CDC

71 504 contractors

CLARIFIED · LOW IMPACT

Professional services contracts

SOP 50 10 8 through 9/30/2026

D/FA preapproval required for contracts covering management, marketing, packaging, processing, closing, servicing, liquidating, liquidation legal work, independent loan reviews by another CDC and co employment; submit at least 60 days ahead to 504Requests@sba.gov with a board justification citing "13 CFR 120.824(2)(e)."

SOP 50 10 8, Sec. A, Ch. 4, ¶ E.6, pp. 83 to 86

SOP 50 10 8.1 from 10/1/2026

Same requirements; the board justification citation is corrected to 13 CFR 120.824(a).

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ E.6, pp. 86 to 89

PCA NOTE Citation fix only.

CDC

72 Form 159 (504)

UNCHANGED · LOW IMPACT

CDC disclosure and upload

SOP 50 10 8 through 9/30/2026

CDCs record Agent involvement in E-Tran; separate Form 159 per Agent and application; itemize over $2,500; do not report Third Party Lender loan fees; upload to the Corporate Governance Repository within 30 calendar days after the debenture funds and list all Form 159s in the Annual Report (SBA Form 1253).

SOP 50 10 8, Sec. A, Ch. 4, ¶ E.7, pp. 86 to 88

SOP 50 10 8.1 from 10/1/2026

Same rules, recorded in the SBA Loan System.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ E.7, pp. 90 to 92

PCA NOTE No action needed.

CDC · Broker

CHANGE LOG

Guaranties, Tax Verification, Insurance and Environmental

Section A, Chapter 5 carries over largely intact, but SOP 50 10 8.1 makes several targeted changes that matter for acquisitions. Guaranty rules tighten: any trust owner, at any percentage, must guarantee and the Trustor must personally guarantee whether the trust is revocable or not; guarantor personal financial statements must be dated within 90 days of approval (down from the 120 day application standard), non owner spouses are excused from signing the PFS, and guarantors must now be U.S. Citizens or Nationals under the rewritten citizenship rules. Tax verification adds a new procedure for amended returns and Appendix 15 now frames transcripts as part of change of ownership financial due diligence. Insurance adds new hazard insurance exceptions for loans of $500,000 or less (junior liens on residential real estate and businesses with $50,000 or less of assets). Historic property and environmental procedures, and Appendices 4 through 8 and 11, are substantively unchanged apart from E-Tran to SBA Loan System terminology and minor SBA internal routing.

UNCHANGED 38 · CLARIFIED 14 · MOVED 5 · TIGHTENED 4 · NEW 2 · LOOSENED 1

1 Guaranties

UNCHANGED · MEDIUM IMPACT

Minimum guaranty requirement

SOP 50 10 8 through 9/30/2026

Each loan must be guaranteed by at least one individual or entity. If no one owns 20% or more directly or indirectly, "at least one of the owners must provide a full unconditional guaranty."

SOP 50 10 8, Sec. A, Ch. 5, ¶ A, p. 89

SOP 50 10 8.1 from 10/1/2026

Same text carried forward without change.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ A, p. 93

PCA NOTE PCA reminds searchers and fund style buyers that spreading ownership below 20% does not avoid a guaranty; someone always signs a full unconditional guaranty.

Buyer · Lender · CDC

2 Guaranties

UNCHANGED HIGH IMPACT

Individual owners of 20% or more

SOP 50 10 8 through 9/30/2026

Any individual with direct and/or indirect ownership of 20% or more "must provide an unlimited full guaranty" on SBA Form 148 (or, for 7(a), the lender's equivalent). A person who signs the Note individually as a Borrower need not also sign a guaranty.

SOP 50 10 8, Sec. A, Ch. 5, ¶ A.1.a, p. 89

SOP 50 10 8.1 from 10/1/2026

Unchanged: 20% direct and/or indirect owners give an unlimited full guaranty on SBA Form 148 or lender equivalent.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ A.1.a, p. 93

PCA NOTE The 20% line is still the bright line for mandatory unlimited guaranties. Independent sponsors and co investors should model ownership look through carefully, because indirect ownership through holding companies counts.

Buyer · Lender · CDC

3 Guaranties

UNCHANGED LOW IMPACT

Disclosure of individuals behind entity owners

SOP 50 10 8 through 9/30/2026

When an ownership interest is held by a corporation, partnership or other entity, "the ownership interests of all individuals must be disclosed."

SOP 50 10 8, Sec. A, Ch. 5, ¶ A.1.b, p. 89

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ A.1.b, p. 93

PCA NOTE Holding company and fund structures still need a full look through to every individual owner in the application package.

Buyer · Lender · CDC

4 Guaranties

UNCHANGED MEDIUM IMPACT

Discretionary and Supplemental Guarantors

SOP 50 10 8 through 9/30/2026

When necessary for credit or other reasons, SBA or a delegated lender may require other individuals or entities to give full or limited guaranties regardless of ownership, for example a minority or non owner who is critical to operations (Supplemental Guarantors).

SOP 50 10 8, Sec. A, Ch. 5, ¶ A.1.c, p. 89

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ A.1.c, p. 93

PCA NOTE Key managers and operating partners with little or no equity can still be asked to guarantee. Buyers should raise this with the lender early rather than discover it in the commitment letter.

Buyer · Lender · CDC

5 Guaranties

CLARIFIED | LOW IMPACT

Limited guaranties (SBA Form 148L)

SOP 50 10 8 through 9/30/2026

If a limited guaranty is used, the lender must choose one of the payment limitation options in SBA Form 148L (or 7(a) lender equivalent) and specify it in the "E-Tran Terms and Conditions."

SOP 50 10 8, Sec. A, Ch. 5, ¶ A.1.d, p. 89

SOP 50 10 8.1 from 10/1/2026

Same rule, but the option is now specified in the "SBA Terms and Conditions" (reflecting the move from E-Tran to the SBA Loan System naming throughout 8.1).

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ A.1.d, p. 93

PCA NOTE No substantive change; limited guaranty mechanics on Form 148L are the same.

Buyer · Lender · CDC

6 Guaranties

TIGHTENED | HIGH IMPACT

Personal financial statements of guarantors

SOP 50 10 8 through 9/30/2026

The lender "must obtain a personal financial statement from all individuals guaranteeing the loan except for Supplemental Guarantors." No currency date appeared in this paragraph; 7(a) application lists required Owner Financial Statements dated within 120 days of submission to SBA.

SOP 50 10 8, Sec. A, Ch. 5, ¶ A.1.e, p. 89; Sec. B, Ch. 1, ¶ D.1.d, p. 145

SOP 50 10 8.1 from 10/1/2026

The personal financial statement must now be "dated within 90 days of loan approval." The 7(a) application list likewise requires SBA Form 413 or equivalent "signed and dated within 90 days of submission to SBA"; business financial statements stay at 120 days.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ A.1.e, p. 93; App. 20, ¶ A.1.c, p. 391

PCA NOTE PCA expects this to cause re signing of SBA Form 413s on deals that drag past 90 days, which is common in acquisitions. Buyers should plan to refresh their personal financial statement close to approval; note 8.1 is stricter than the 120 day window announced with the June 2025 Form 413 notice (5000-868123).

Buyer · Lender · CDC   Source notice: 5000-868123

7 Guaranties

TIGHTENED | HIGH IMPACT

Guarantor citizenship and residency

SOP 50 10 8 through 9/30/2026

Guarantors must comply with Ch. 1, Para. F, "Businesses Owned by Non-U.S. Citizens," which allowed owners and guarantors who were U.S. citizens, U.S. Nationals or Lawful Permanent Residents with a U.S. primary residence.

SOP 50 10 8, Sec. A, Ch. 5, ¶ A.1.f and A.2.c, p. 89; Sec. A, Ch. 1, ¶ F, p. 27 to 28

SOP 50 10 8.1 from 10/1/2026

Guarantors must comply with Ch. 1, Para. F, now titled "Citizenship and Residency Requirements," which limits owners and "SBA-required guarantors" to U.S. Citizens or U.S. Nationals with their Principal Residence in the United States, its territories or possessions.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ A.1.f and A.2.c, p. 93 to 94; Sec. A, Ch. 1, ¶ F, p. 29

PCA NOTE Green card holders can no longer serve as required owners or guarantors on a new 7(a) or 504 loan. Search funds and partnerships with LPR principals need to restructure before applying, not after.

Buyer · Lender · CDC   Source notice: 5000-876441; 5000-876626

8 Guaranties

LOOSENED MEDIUM IMPACT

Limited guaranty exception for Ineligible Persons

SOP 50 10 8 through 9/30/2026

An Ineligible Person (other than an illegal alien) could give a limited guaranty only "when a limited guaranty is required by SBA to support the pledge of jointly held required collateral."

SOP 50 10 8, Sec. A, Ch. 1, ¶ F, p. 28

SOP 50 10 8.1 from 10/1/2026

The exception now covers "a limited or supplemental guaranty ... required by the Lender for their approval, or by SBA to support the pledge of jointly held required collateral"; an Ineligible Person (except undocumented aliens) may provide a limited guaranty.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ F, p. 29

PCA NOTE A non citizen spouse or key manager can still sign a lender required limited or supplemental guaranty, but cannot be a required 20% guarantor or owner. Lenders should document why the guaranty is limited.

Buyer · Lender · CDC Source notice: 5000-876441; 5000-876626

9 Guaranties

UNCHANGED MEDIUM IMPACT

Spouses: combined 20% rule

SOP 50 10 8 through 9/30/2026

Each spouse owning less than 20% must guarantee in full when the combined ownership of both spouses and minor children is 20% or more.

SOP 50 10 8, Sec. A, Ch. 5, ¶ A.2.a, p. 89

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ A.2.a, p. 93

PCA NOTE Splitting equity between spouses or with minor children still aggregates for the 20% test.

Buyer · Lender · CDC

10 Guaranties

CLARIFIED MEDIUM IMPACT

Non owner spouse

SOP 50 10 8 through 9/30/2026

For a non owner spouse the lender must require the spouse's signature on the appropriate collateral documents; the spouse's guaranty secured by jointly held collateral is limited to the spouse's interest in the collateral.

SOP 50 10 8, Sec. A, Ch. 5, ¶ A.2.b, p. 89

SOP 50 10 8.1 from 10/1/2026

Same, plus a new sentence: "Non-owner spouses are not required to sign the personal financial statement."

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ A.2.b, p. 93

PCA NOTE PCA sees this as helpful relief for buyers whose spouses have no role in the business; the spouse still signs collateral documents on jointly held assets, but not the Form 413.

Buyer · Lender · CDC

11 Guaranties

TIGHTENED HIGH IMPACT

Trust owners: any percentage

SOP 50 10 8 through 9/30/2026

If "the entity that owns 20% or more of the Applicant is a trust," the trust must guarantee, with the trustee signing and giving the certifications in Sec. A, Ch. 2, Para. B.1.b; "if the trust is revocable, the Trustor also must guarantee."

SOP 50 10 8, Sec. A, Ch. 5, ¶ A.3.a, p. 90

SOP 50 10 8.1 from 10/1/2026

If "the entity that owns any percentage of the Applicant is a trust (revocable or irrevocable)," the trust must guarantee, with the trustee signing and certifying under Sec. A, Ch. 2, Para. A.2; and "the Trustor must also personally guarantee the loan" regardless of trust type.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ A.3.a, p. 94

PCA NOTE This is one of the biggest guaranty changes in 8.1. Buyers who hold equity through an irrevocable or estate planning trust, even at small percentages, should expect both the trust and the Trustor to sign; the old 20% floor and the revocable only rule for Trustors are gone.

Buyer · Lender · CDC

12 Guaranties

CLARIFIED MEDIUM IMPACT

Trustor guaranty in EPC trust structures

SOP 50 10 8 through 9/30/2026

For an EPC owned in whole or part by a trust, "The Trustor must guarantee the loan"; controlling beneficiaries must also guarantee.

SOP 50 10 8, Sec. A, Ch. 2, ¶ A.2.d, p. 44

SOP 50 10 8.1 from 10/1/2026

"The Trustor must personally guarantee the loan"; controlling beneficiaries still guarantee.

SOP 50 10 8.1, Sec. A, Ch. 2, ¶ A.2.d, p. 44

PCA NOTE The word "personally" removes any argument that the trust's own guaranty satisfies the Trustor requirement in real estate holding structures.

Buyer · Lender · CDC

13 Guaranties

UNCHANGED MEDIUM IMPACT

Entity guarantors and management companies

SOP 50 10 8 through 9/30/2026

Entities owning 20% or more give an unlimited full guaranty; lenders obtain their financial statements; SBA or a delegated lender may require guaranties from other entities, including a manager of the business under a Management Agreement with no ownership.

SOP 50 10 8, Sec. A, Ch. 5, ¶ A.3.a to A.3.c, p. 90

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ A.3.a to A.3.c, p. 94

PCA NOTE Holding companies and independent sponsor vehicles at 20% or more still guarantee in full, and third party managers can be pulled in.

Buyer · Lender · CDC

14 Guaranties

CLARIFIED MEDIUM IMPACT

Six month lookback on reduced ownership

SOP 50 10 8 through 9/30/2026

Any Person subject to the guaranty requirement 6 months before the application date stays subject to it even after reducing below 20%. The paragraph cross referenced Ch. 1, Para. F for a "separate 6-month lookback" for Ineligible Persons.

SOP 50 10 8, Sec. A, Ch. 5, ¶ A.4.a, p. 90

SOP 50 10 8.1 from 10/1/2026

Same 6 month rule, now stated with "Except for Ineligible Persons covered under Ch. 1, Para. F, Citizenship and Residency Requirements."

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ A.4.a, p. 94

PCA NOTE Sellers or partners who trim ownership just before applying still have to guarantee unless they fully exit. Ineligible Person divestitures are governed only by the Ch. 1 citizenship rules.

Buyer · Lender · CDC Source notice: 5000-876441

15 Guaranties

UNCHANGED MEDIUM IMPACT

Complete divestiture exception

SOP 50 10 8 through 9/30/2026

The lookback does not apply when the Person completely divests before the application date, including severing any relationship with the Applicant, even as an unpaid employee, for the life of the loan.

SOP 50 10 8, Sec. A, Ch. 5, ¶ A.4.b.i, p. 90

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ A.4.b.i, p. 94

PCA NOTE A departing owner who wants to avoid a guaranty must be fully out, not staying on as an employee.

Buyer · Seller · Lender · CDC

16 Guaranties

MOVED MEDIUM IMPACT

Complete change of ownership: who guarantees

SOP 50 10 8 through 9/30/2026

For a complete change of ownership where the acquired business survives as a separate entity and is a Co-Borrower, "All owners of the Applicant business, and the business being acquired, if it is a Co-Borrower, are subject to the requirements for guaranties in Section A, Ch. 5, Para. A."

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.f.i and A.2.f.iii, p. 118

SOP 50 10 8.1 from 10/1/2026

Consolidated in the new change of ownership appendix under "Personal Guaranties": all owners of the Applicant and the acquired business, if a Co-Borrower, follow Sec. A, Ch. 5, Para. A, guaranty percentages are measured post sale, and "Additional guaranty requirements specified in this Appendix will apply to all change of ownership transactions."

SOP 50 10 8.1, App. 15, ¶ A, Personal Guaranties (item 2), p. 348

PCA NOTE Acquirers should read Appendix 15 alongside Chapter 5; the base guaranty rules are unchanged but now sit in one place for buyouts. (Partial change of ownership seller guaranty rules are outside this summary.)

Buyer · Seller · Lender

17 Tax verification

UNCHANGED · MEDIUM IMPACT

Purpose and non filers

SOP 50 10 8 through 9/30/2026

Tax verification determines whether the Applicant filed business returns and whether its financial statements agree with the returns filed with the IRS. An Applicant that has not filed required Federal returns is ineligible.

SOP 50 10 8, Sec. A, Ch. 5, ¶ B.1 to B.2, p. 90

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ B.1 to B.2, p. 94 to 95

PCA NOTE Unfiled returns remain a hard stop; sellers need to be current before a buyer's loan can close.

Buyer · Lender · CDC

18 Tax verification

UNCHANGED · HIGH IMPACT

Seller data in changes of ownership

SOP 50 10 8 through 9/30/2026

For sole proprietors the lender verifies Schedule C. For a change of ownership the lender must verify the seller's financial data, including a selling sole proprietor's Schedule C; for a division or segment acquisition, alternative third party verification (CPA reviewed statements, sales tax records, etc.) may be used.

SOP 50 10 8, Sec. A, Ch. 5, ¶ B.3, p. 91

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ B.3, p. 95

PCA NOTE Buyers should get the seller's signed IRS authorization early in diligence; carve out deals can still use alternative verification.

Buyer · Seller · Lender

19 Tax verification

CLARIFIED · MEDIUM IMPACT

Reconciliation standard

SOP 50 10 8 through 9/30/2026

Except for SBA Express and Export Express, lenders must obtain transcripts "and reconcile the Applicant's financial data against the tax transcripts" before first 7(a) disbursement or before a 504 debenture funding request.

SOP 50 10 8, Sec. A, Ch. 5, ¶ B.4, p. 91

SOP 50 10 8.1 from 10/1/2026

Lenders must obtain transcripts "and reconcile any discrepancies with the Applicant's financial data against the tax transcripts" on the same timing.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ B.4, p. 95

PCA NOTE The focus shifts to explaining discrepancies. Buyers and quality of earnings providers should be ready with a bridge from the seller's books to the returns.

Buyer · Lender · CDC

20 Tax verification

UNCHANGED · MEDIUM IMPACT

Years of transcripts required

SOP 50 10 8 through 9/30/2026

3 years for the Applicant or Operating Company when size is measured by the NAICS standard (all years if less than 3; not for Start Ups), 2 years under the Alternative Size Standard; the latest year is not required if the fiscal year end is within 6 months of SBA's receipt of the application, but an extension and proof of estimated tax payment are required if filed.

SOP 50 10 8, Sec. A, Ch. 5, ¶ B.4.a, p. 91

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ B.4.a, p. 95

PCA NOTE No change to transcript look back periods.

Buyer · Lender · CDC

21 Tax verification

UNCHANGED · LOW IMPACT

IVES or IRS Form 8821

SOP 50 10 8 through 9/30/2026

Transcripts come through IVES (enrolled or via an IVES participant) or a fully completed IRS Form 8821 listing the lender (and any LSP) as designee on line 2; the borrower or its own preparer may not file the Form 8821.

SOP 50 10 8, Sec. A, Ch. 5, ¶ B.4.b, p. 91

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ B.4.b, p. 95 to 96

PCA NOTE Borrowers cannot shortcut the process by pulling their own transcripts.

Lender · CDC

22 Tax verification

UNCHANGED · MEDIUM IMPACT

No record from IRS; missing middle year

SOP 50 10 8 through 9/30/2026

If the IRS has no record for any required year, no disbursement until resolved unless the no records found alternative is met; for 3 year pulls, a "Record Not Found" middle year can be assumed filed if the other 2 years verify and there is evidence of a refund or payment.

SOP 50 10 8, Sec. A, Ch. 5, ¶ B.4.c and B.4.d, p. 91 to 92

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ B.4.c and B.4.d, p. 96

PCA NOTE Same workarounds for IRS processing gaps.

Buyer · Lender · CDC

23 Tax verification

NEW · HIGH IMPACT

Amended returns

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

New subparagraph: if the Applicant filed an amended return, the lender follows all transcript steps; if the amended return transcript is not available, it must obtain the signed amended return and evidence of filing, such as an IRS Acceptance Report, Certified Mail receipt (USPS Form 3800) or return receipt, USPS delivery confirmation, an IRS stamped copy, or "a letter from the Accountant or CPA."

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ B.4.e, p. 96

PCA NOTE PCA sees this as practical relief for sellers who amend returns during a sale process, a common event when add backs or accounting cleanups surface. Buyers should insist the seller keep filing proof, since the IRS amended transcript backlog can otherwise stall closing.

Buyer · Seller · Lender · CDC

24 Tax verification

MOVED · MEDIUM IMPACT

Second request and closing at risk

SOP 50 10 8 through 9/30/2026

If no IRS response in 10 business days, resubmit IRS Form 4506-C or 8821 marked "Second Request"; delegated 7(a) lenders may close and disburse but face repair or denial if transcripts are never reconciled; 504 PCLP or ALP Express CDCs may fund the interim loan but not the debenture closing package.

SOP 50 10 8, Sec. A, Ch. 5, ¶ B.4.e, p. 92

SOP 50 10 8.1 from 10/1/2026

Same text, renumbered because of the new amended return subparagraph.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ B.4.f, p. 96

PCA NOTE Renumbering only; lenders updating checklists should change cites from e to f.

Buyer · Lender · CDC

25 Tax verification

MOVED · LOW IMPACT

SBA Express and Export Express

SOP 50 10 8 through 9/30/2026

Express lenders using business financials must follow full verification; scoring based lenders pull transcripts to confirm filing and size but need not reconcile; Express lenders may disburse immediately but must follow up, with repair or denial risk.

SOP 50 10 8, Sec. A, Ch. 5, ¶ B.4.f, p. 92 to 93

SOP 50 10 8.1 from 10/1/2026

Same text, renumbered.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ B.4.g, p. 97

PCA NOTE No substantive change for Express.

Lender

26 Tax verification

MOVED MEDIUM IMPACT

No records found alternative

SOP 50 10 8 through 9/30/2026

Lender may close when the IRS has no record if it has (i) proof of filing (E file evidence or IRS stamped paper return) and (ii) proof of payment or refund reconciling to the return; pass through liability may be shown by guarantors' transcripts.

SOP 50 10 8, Sec. A, Ch. 5, ¶ B.4.g, p. 93

SOP 50 10 8.1 from 10/1/2026

Same text, renumbered.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ B.4.h, p. 97

PCA NOTE Renumbering only.

Buyer · Lender · CDC

27 Tax verification

UNCHANGED LOW IMPACT

U.S. Territories

SOP 50 10 8 through 9/30/2026

Where the Applicant does not file Federal returns, lenders verify receipt stamped returns filed with the territory's taxing authority.

SOP 50 10 8, Sec. A, Ch. 5, ¶ B.5, p. 93

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ B.5, p. 97

PCA NOTE No change.

Lender · CDC

28 Tax verification

MOVED HIGH IMPACT

Transcripts in change of ownership deals

SOP 50 10 8 through 9/30/2026

For changes of ownership, the lender "must comply with the requirements in Section A, Ch. 5, Para. B" (one line item in the change of ownership paragraph).

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.i, p. 120

SOP 50 10 8.1 from 10/1/2026

Appendix 15 states that "tax transcripts are considered an extension of the financial due diligence requirements" for changes of ownership and lenders must follow Sec. A, Ch. 5, Para. B "to validate the information reported by the seller." The credit analysis also requires the lender to "obtain, review, and verify the Applicant's corporate tax returns against the tax transcripts."

SOP 50 10 8.1, App. 15, ¶ A.7, p. 343; App. 15, ¶ C.2.b.ii.b), p. 356

PCA NOTE Transcripts are now framed as part of acquisition diligence, not a closing formality. Buyers should expect the lender to tie the seller's QoE and valuation back to IRS transcripts before approval.

Buyer · Seller · Lender

29 Tax verification

UNCHANGED LOW IMPACT

504 application forms

SOP 50 10 8 through 9/30/2026

504 applications include IRS Form 4506-C or 8821 (same type the CDC used for verification); transcripts and complete verification are not required until loan closing.

SOP 50 10 8, Sec. C, Ch. 1, ¶ F.2.a.xx and xxii, p. 367 to 368

SOP 50 10 8.1 from 10/1/2026

Unchanged, renumbered.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ F.2.a.xxi and xxiii, p. 240 to 241

PCA NOTE No change for CDC workflows beyond numbering.

CDC

30 Insurance

CLARIFIED LOW IMPACT

Where requirements are recorded

SOP 50 10 8 through 9/30/2026

Insurance requirements must be included in the "SBA-issued E-Tran Terms and Conditions" and the lender's credit memorandum.

SOP 50 10 8, Sec. A, Ch. 5, ¶ C, p. 93

SOP 50 10 8.1 from 10/1/2026

Requirements must be included in the "SBA Terms and Conditions" and the lender's credit memorandum.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ C, p. 97

PCA NOTE Terminology change tied to the SBA Loan System; no substantive change.

Lender · CDC

31 Insurance

UNCHANGED MEDIUM IMPACT

Hazard insurance threshold

SOP 50 10 8 through 9/30/2026

For 7(a) loans and 504 projects over $50,000, hazard insurance is required on all collateral; if unavailable the loan cannot be approved; separate policies needed where a state requires wind, hail, earthquake or similar coverage.

SOP 50 10 8, Sec. A, Ch. 5, ¶ C.1.a, p. 93

SOP 50 10 8.1 from 10/1/2026

Same $50,000 threshold and state specific coverage rule.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ C.1.a, p. 97 to 98

PCA NOTE Buyers should still price full hazard coverage on all pledged assets into their closing costs.

Buyer · Lender · CDC

32 Insurance

NEW · HIGH IMPACT

New hazard insurance exceptions for loans of $500,000 or less

SOP 50 10 8 through 9/30/2026

Hazard insurance was required on all assets pledged as collateral for 7(a) loans greater than $50,000 and for 504 projects greater than $50,000, and "If hazard insurance is not available, the loan cannot be approved." The only carve out was the SBA Express and Export Express documentation exception.

SOP 50 10 8, Sec. A, Ch. 5, ¶ C.1.a and C.1.d, p. 93 to 94

SOP 50 10 8.1 from 10/1/2026

The same $50,000 floor applies, and the hazard policy now "applies to all loans except the following": (i) loans of $500,000 or less where residential real estate is pledged, the lien is not first position, "and if hazard insurance cannot be obtained"; and (ii) loans of $500,000 or less "if the full replacement value of the business's assets is $50,000 or less."

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ C.1.a.i and C.1.a.ii, p. 98

PCA NOTE PCA sees this as meaningful relief for small acquisitions where a junior lien on a guarantor's home is taken as abundance of caution collateral; a lender no longer has to kill the deal because the homeowner's carrier will not name it. Asset light service businesses can also skip hazard coverage where the loan is $500,000 or less and the full replacement value of the business assets is $50,000 or less.

Buyer · Lender · CDC

33 Insurance

UNCHANGED · LOW IMPACT

Real estate and personal property coverage

SOP 50 10 8 through 9/30/2026

Full replacement cost (or maximum insurable value), with a MORTGAGEE CLAUSE for real estate and a LENDER'S LOSS PAYABLE CLAUSE for personal property in favor of the 7(a) lender or CDC/SBA, and at least 10 days prior written notice of cancellation.

SOP 50 10 8, Sec. A, Ch. 5, ¶ C.1.b and C.1.c, p. 93 to 94

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ C.1.b and C.1.c, p. 98

PCA NOTE Standard certificate language is unchanged.

Lender · CDC

34 Insurance

UNCHANGED · LOW IMPACT

SBA Express and Export Express hazard exception

SOP 50 10 8 through 9/30/2026

Express lenders may waive hazard insurance (for example, undue burden on a small loan) but must document the reason.

SOP 50 10 8, Sec. A, Ch. 5, ¶ C.1.d, p. 94

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ C.1.d, p. 98

PCA NOTE No change.

Lender

35 Insurance

UNCHANGED LOW IMPACT

Marine insurance

SOP 50 10 8 through 9/30/2026

Vessel collateral requires full insurable value coverage naming the lender or CDC/SBA as Mortgagee, with Protection and Indemnity, Breach of Warranty and Pollution coverage and 10 days cancellation notice.

SOP 50 10 8, Sec. A, Ch. 5, ¶ C.2, p. 94

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ C.2, p. 98 to 99

PCA NOTE No change.

Lender · CDC

36 Insurance

UNCHANGED MEDIUM IMPACT

Flood insurance

SOP 50 10 8 through 9/30/2026

Based on FEMA Form 086-0-32; NFIP mandatory purchase rules apply; private flood accepted if at least as broad as NFIP with 45 days cancellation notice; coverage at least the lesser of the loan balance or the NFIP maximum; building and personal property collateral in a special flood hazard area must be covered.

SOP 50 10 8, Sec. A, Ch. 5, ¶ C.3, p. 94 to 95

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ C.3, p. 99 to 100

PCA NOTE Flood rules are the same; buyers of businesses in flood zones should budget for contents coverage on equipment and inventory too.

Buyer · Lender · CDC

37 Insurance

CLARIFIED MEDIUM IMPACT

Life (key person) insurance for 7(a)

SOP 50 10 8 through 9/30/2026

Standard 7(a), EWCP, CAPLines, International Trade and pilot loans may follow internal policy "except if the loan is not fully secured," in which case life insurance equal to the collateral shortfall is required for principals of sole proprietorships, single member LLCs or businesses dependent on one owner. 7(a) Small, Express and Export Express follow internal written policy.

SOP 50 10 8, Sec. A, Ch. 5, ¶ C.4.d, p. 96

SOP 50 10 8.1 from 10/1/2026

Same substance, restated as two sentences: lenders may follow internal policy; "If the loan is not fully secured, life insurance is required in the amount of the collateral shortfall" for the same principals. Collateral assignment acknowledged by the insurer's home office, borrower pays premiums, existing policies may be pledged, and uninsurable principals documented by a licensed insurer, all unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ C.4.a to C.4.d, p. 100

PCA NOTE Single owner acquisitions that are not fully collateralized, which describes most search fund deals, still need term life on the operator equal to the shortfall. Get underwriting started early, especially for older buyers.

Buyer · Lender · CDC

38 Insurance

UNCHANGED LOW IMPACT

Life insurance for 504

SOP 50 10 8 through 9/30/2026

Required for principals of sole proprietorships, single member LLCs or one owner dependent businesses when not fully collateralized; minimum term 10 years for a 10 year debenture and 20 years for 20 or 25 year debentures; amount equals net debenture minus discounted collateral (real estate 85% of value, new equipment 75%, used equipment 50% of NBV or 80% with an OLV appraisal).

SOP 50 10 8, Sec. A, Ch. 5, ¶ C.4.e, p. 96 to 97

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ C.4.e, p. 101

PCA NOTE No change for 504.

CDC · Buyer

39 Insurance

UNCHANGED LOW IMPACT

Liability and other insurance

SOP 50 10 8 through 9/30/2026

Credit memoranda must address insurance requirements, including life insurance (on whom and how much) and "Business hazard & liability insurances"; for 7(a) Small and Express, insurance other than hazard may follow the lender's policy for similar non SBA loans.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.2.a (Insurance item), p. 170

SOP 50 10 8.1 from 10/1/2026

Unchanged; SOP 50 10 8.1 still does not set a separate SBA minimum for general liability coverage, leaving it to the lender's credit memo and policy.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C.2.a (Insurance item), p. 130

PCA NOTE Liability, workers comp and business interruption levels remain lender driven, so buyers should ask for the lender's insurance checklist before signing the purchase agreement.

Buyer · Lender · CDC

40 Historic properties

CLARIFIED LOW IMPACT

Scope of due diligence

SOP 50 10 8 through 9/30/2026

Due diligence applies to "all SBA Loan transactions involving the purchase or renovation of a property or site" (the preceding definitional sentence already included installation of equipment).

SOP 50 10 8, Sec. A, Ch. 5, ¶ D, p. 97

SOP 50 10 8.1 from 10/1/2026

The due diligence sentence now reads "purchase or renovation of a property or site (including installation of equipment)."

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ D, p. 101 to 102

PCA NOTE Equipment installs in older buildings, such as new kitchen hoods or production lines, need a historic property screen documented in the file.

Lender · CDC

41 Historic properties

UNCHANGED LOW IMPACT

SBA Form 2481 certification for no change acquisitions

SOP 50 10 8 through 9/30/2026

Where the property appears historic and no modifications are planned, the Borrower, Co-Borrower and/or Operating Company signs SBA Form 2481 before submission or loan number request; local SBA counsel clears it; the clearance is void if plans change before disbursement.

SOP 50 10 8, Sec. A, Ch. 5, ¶ D.1 and D.2.a, p. 97 to 98

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ D.1 and D.2.a, p. 102 to 103

PCA NOTE No change.

Buyer · Lender · CDC

42 Historic properties

CLARIFIED LOW IMPACT

Section 106 review condition

SOP 50 10 8 through 9/30/2026

Where a seller will not extend closing, SBA may issue the "E-Tran Terms and Conditions" with a Section 106 review condition requiring clearance before closing and before renovations start.

SOP 50 10 8, Sec. A, Ch. 5, ¶ D.2.b.i.f), p. 98 to 99

SOP 50 10 8.1 from 10/1/2026

Same, issued in the "SBA Terms and Conditions."

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ D.2.b.i.f), p. 103

PCA NOTE Terminology only.

Buyer · Lender

43 Historic properties

CLARIFIED LOW IMPACT

SBA internal consultation after SHPO response

SOP 50 10 8 through 9/30/2026

After the SHPO response (30 days), local SBA counsel consults the "Associate General Counsel for Financial Law and Lender Oversight"; on a no adverse effect finding counsel "will receive an approval from" the Associate General Counsel for Litigation.

SOP 50 10 8, Sec. A, Ch. 5, ¶ D.2.b.ii.c)iv) and d), p. 100

SOP 50 10 8.1 from 10/1/2026

Counsel now consults the "Associate General Counsel for Litigation" in both steps; on a no adverse effect finding counsel "will consult with" that office "and if no other historic property concerns exist, will receive an approval."

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ D.2.b.ii.c)iv) and d), p. 104

PCA NOTE Internal SBA routing change; approval now expressly depends on no other historic concerns, so lenders should flag everything known up front.

Lender · CDC

44 Environmental

UNCHANGED MEDIUM IMPACT

Scope and consequence

SOP 50 10 8 through 9/30/2026

Environmental policies apply to all 7(a) and 504 loans; for 7(a), noncompliance may result in denial of the guaranty; an Environmental Investigation is required on all commercial Property on which a mortgage, deed of trust or leasehold deed of trust is taken.

SOP 50 10 8, Sec. A, Ch. 5, ¶ E and E.2, p. 100 to 101

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ E and E.2, p. 105

PCA NOTE Any deal with a real estate lien, including a leasehold mortgage, still needs environmental work sized to the risk.

Buyer · Lender · CDC

45 Environmental

UNCHANGED MEDIUM IMPACT

Report age, Reliance Letter, delegated files

SOP 50 10 8 through 9/30/2026

Reports must be dated within one year of the SBA loan number; Transaction Screens, Phase I and Phase II must be done by an Environmental Professional with the Appendix 5 Reliance Letter; delegated, 7(a) Small, Express and Export Express lenders keep reports in file; exceptions go to the Environmental Committee.

SOP 50 10 8, Sec. A, Ch. 5, ¶ E.3, p. 101

SOP 50 10 8.1 from 10/1/2026

Unchanged in substance.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ E.3, p. 106

PCA NOTE Order environmental reports close enough to the loan number date to stay inside the one year window. Separately, PN 5000-869245 (SOP 50 56) makes lenders produce environmental clearance documents on request and keep files under their direct control.

Lender · CDC Source notice: 5000-869245

46 Environmental

CLARIFIED LOW IMPACT

Nondelegated submission channel

SOP 50 10 8 through 9/30/2026

Nondelegated lenders certify No Contamination "in E-Tran" and upload contamination files "via E-Tran," then email EnvironmentalReviews@sba.gov with subject "DISTRICT OFFICE, ETRAN APPLICATION NUMBER, LOAN NUMBER, LOAN NAME."

SOP 50 10 8, Sec. A, Ch. 5, ¶ E.3, p. 101 to 102

SOP 50 10 8.1 from 10/1/2026

Certification and uploads go through "the SBA Loan System"; the email subject drops "ETRAN" and uses the application number.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ E.3, p. 106

PCA NOTE System naming only.

Lender · CDC

47 Environmental

UNCHANGED HIGH IMPACT

NAICS screen and Phase I for sensitive industries

SOP 50 10 8 through 9/30/2026

Lenders make a Good Faith effort to identify NAICS codes of current and known prior uses and compare to Appendix 6; a match requires starting with a Phase I "regardless of the amount of the loan." Units in Multi Unit Buildings skip to the questionnaire tiers.

SOP 50 10 8, Sec. A, Ch. 5, ¶ E.4.a.i, p. 102

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ E.4.a.i, p. 107

PCA NOTE Auto repair, dry cleaning, manufacturing and similar sites still need a Phase I from day one; buyers should budget the cost and 3 to 4 weeks.

Buyer · Lender · CDC

48 Environmental

UNCHANGED HIGH IMPACT

Gas stations (NAICS 457)

SOP 50 10 8 through 9/30/2026

If the NAICS code begins with 457 (gas stations with or without convenience stores) the investigation must begin with a Phase I and follow Appendix 7.

SOP 50 10 8, Sec. A, Ch. 5, ¶ E.4.a.i and E.6.c, p. 102 and 109

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ E.4.a.i and E.6.c, p. 107 and 113

PCA NOTE No change for fuel station acquisitions.

Buyer · Lender · CDC

49 Environmental

UNCHANGED HIGH IMPACT

Questionnaire and Records Search tiers

SOP 50 10 8 through 9/30/2026

Non sensitive properties: loans up to and including $250,000 may start with an Environmental Questionnaire; above $250,000 require at minimum a Questionnaire plus Records Search with Risk Assessment; anything other than "low risk" requires a Phase I.

SOP 50 10 8, Sec. A, Ch. 5, ¶ E.4.a.ii to E.4.c, p. 102 to 103

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ E.4.a.ii to E.4.c, p. 107

PCA NOTE The $250,000 threshold did not move.

Buyer · Lender · CDC

50 Environmental

UNCHANGED MEDIUM IMPACT

Transaction Screen, Phase I and Phase II results

SOP 50 10 8 through 9/30/2026

Transaction Screen recommending more work requires a Phase I; skipping to Phase II needs advance Environmental Committee approval; lenders must follow all Environmental Professional recommendations, including housekeeping items; Phase II findings must address reportable levels, remediation need, cost (ASTM E2137-22) and completion date.

SOP 50 10 8, Sec. A, Ch. 5, ¶ E.4.d to E.4.f, p. 103 to 104

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ E.4.d to E.4.f, p. 107 to 108

PCA NOTE No change.

Buyer · Lender · CDC

51 Environmental

UNCHANGED HIGH IMPACT

Contamination and mitigating factors

SOP 50 10 8 through 9/30/2026

No approval or disbursement with known Contamination unless risk is minimized using factors such as an SBA Environmental Indemnification Agreement from a creditworthy third party (not the Applicant or OC), completed remediation with a year of monitoring, a no further action letter, de minimis contamination remediated within 1 year, clean up funds, an escrow of at least 150% of estimated cost, offsite source protections, extra collateral, or Other Factor(s) cleared by the Environmental Committee.

SOP 50 10 8, Sec. A, Ch. 5, ¶ E.5, p. 104 to 108

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ E.5, p. 109 to 112

PCA NOTE Sellers of contaminated sites should expect to sign indemnities or fund a 150% escrow; these tools are unchanged.

Buyer · Seller · Lender · CDC

52 Environmental

UNCHANGED MEDIUM IMPACT

Indemnification Agreement review timing

SOP 50 10 8 through 9/30/2026

Nondelegated 7(a) lenders submit the finalized agreement for SBA review before requesting funding; all CDCs submit to the SLPC at least 2 weeks before the closing package cycle.

SOP 50 10 8, Sec. A, Ch. 5, ¶ E.5.d.i, p. 106

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ E.5.d.i, p. 109 to 110

PCA NOTE Build the 2 week SLPC review into 504 closing timelines.

Lender · CDC

53 Environmental

UNCHANGED MEDIUM IMPACT

Delegated lenders

SOP 50 10 8 through 9/30/2026

Delegated 7(a), 7(a) Small, Express and Export Express lenders follow these rules without SBA concurrence, unless relying solely on Other Factor(s).

SOP 50 10 8, Sec. A, Ch. 5, ¶ E.5.e, p. 108

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ E.5.e, p. 112

PCA NOTE No change.

Lender

54 Environmental

UNCHANGED MEDIUM IMPACT

Child occupied facilities and drycleaners

SOP 50 10 8 through 9/30/2026

Pre 1978 child occupied facilities need a lead risk assessment and tap testing within one year of the loan number for each new loan; any current or historic on site dry cleaner requires a Phase I and a Phase II covering soil, groundwater and soil vapor, by a licensed PE or PG with 3 years experience.

SOP 50 10 8, Sec. A, Ch. 5, ¶ E.6.a and E.6.b, p. 108 to 109

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ E.6.a and E.6.b, p. 112 to 113

PCA NOTE Daycare and dry cleaner acquisitions still carry mandatory extra testing costs.

Buyer · Lender · CDC

55 Environmental

CLARIFIED LOW IMPACT

Release of indemnification rights

SOP 50 10 8 through 9/30/2026

Persons with indemnification rights against future owners must sign the SBA Indemnification Agreement or a recorded waiver and release; for 504, submitted "via E-Tran" for local SBA counsel review.

SOP 50 10 8, Sec. A, Ch. 5, ¶ E.7, p. 109 to 110

SOP 50 10 8.1 from 10/1/2026

Same, submitted "via the SBA Loan System."

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ E.7, p. 113

PCA NOTE System naming only.

Lender · CDC

56 Environmental

UNCHANGED LOW IMPACT

Brownfields and appeals

SOP 50 10 8 through 9/30/2026

Brownfields financing uses the Paragraph 5.d mitigating factors; appeals go to EnvironmentalAppeals@sba.gov (15MB limit) and are decided by the Environmental Committee under the Associate General Counsel for Litigation.

SOP 50 10 8, Sec. A, Ch. 5, ¶ E.8 and E.9, p. 110

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ E.8 and E.9, p. 113 to 114

PCA NOTE No change.

Lender · CDC

57 Appendix 4

UNCHANGED LOW IMPACT

Environmental definitions

SOP 50 10 8 through 9/30/2026

Defines Environmental Questionnaire content (including lead paint, asbestos and PCBs) and accepts ASTM Questionnaire A (ASTM E1528-22) as an alternative, among other terms.

SOP 50 10 8, App. 4, p. 413 to 418

SOP 50 10 8.1 from 10/1/2026

Text unchanged (only page layout differs).

SOP 50 10 8.1, App. 4, p. 288 to 294

PCA NOTE No change.

Lender · CDC

58 Appendix 5

UNCHANGED LOW IMPACT

Reliance Letter

SOP 50 10 8 through 9/30/2026

Environmental Professionals must extend reliance to the lender and SBA and certify errors and omissions coverage of at least $1,000,000 per claim, waiving dollar limits up to that amount.

SOP 50 10 8, App. 5, p. 419 to 422

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, App. 5, p. 295 to 298

PCA NOTE No change; use the SBA form letter verbatim.

Lender · CDC

59 Appendix 6

UNCHANGED MEDIUM IMPACT

NAICS codes of environmentally sensitive industries

SOP 50 10 8 through 9/30/2026

List of NAICS codes that trigger a mandatory Phase I.

SOP 50 10 8, App. 6, p. 423 to 426

SOP 50 10 8.1 from 10/1/2026

List unchanged.

SOP 50 10 8.1, App. 6, p. 299 to 302

PCA NOTE The trigger list is identical, so prior screening results remain valid.

Buyer · Lender · CDC

60 Appendix 7

CLARIFIED MEDIUM IMPACT

Gas station loans

SOP 50 10 8 through 9/30/2026

Gas station loans need a Phase I by an independent Environmental Professional, tank testing compliance before disbursement, and a Phase II by a licensed PE or PG with 3 years experience if recommended; clean results are certified "in E-Tran"; in changes of ownership with contamination the seller must sign the SBA Indemnification Agreement; waivers and releases are uploaded "to E-Tran."

SOP 50 10 8, App. 7, p. 427 to 428

SOP 50 10 8.1 from 10/1/2026

Same requirements; certification and uploads now reference "the SBA Loan System." The seller indemnification cross reference still reads "Section A, Chapter 6, E.6.d.i" (the provision is actually Ch. 5, Para. E.5.d.i).

SOP 50 10 8.1, App. 7, p. 303 to 304

PCA NOTE Buyers of contaminated fuel sites still need the seller to sign the indemnity; a mere refusal by the seller is not grounds for a waiver.

Buyer · Lender · CDC

61 Appendix 8

UNCHANGED LOW IMPACT

SBA Environmental Indemnification Agreement

SOP 50 10 8 through 9/30/2026

The standard agreement may not be modified and must be recorded using the Exhibit C memorandum format.

SOP 50 10 8, App. 8, p. 429 to 450

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, App. 8, p. 305 to 326

PCA NOTE No change.

Seller · Lender · CDC

62 Appendix 11

UNCHANGED LOW IMPACT

Record retention

SOP 50 10 8 through 9/30/2026

7(a) lenders keep originals of the Note, guaranties, collateral documents, SBA Form 1919, SBA Form 159 and any Environmental Indemnification Agreement unless validly e signed; CDCs keep originals of SBA Form 1244, Form 159 and indemnities; declined files 2 years; paid off and liquidated files 6 years.

SOP 50 10 8, App. 11, p. 463

SOP 50 10 8.1 from 10/1/2026

Identical text.

SOP 50 10 8.1, App. 11, p. 331

PCA NOTE No change to retention periods.

Lender · CDC

63 Appendix 12

CLARIFIED LOW IMPACT

Environmental email addresses

SOP 50 10 8 through 9/30/2026

EnvironmentalReviews@sba.gov notices reference information uploaded "in E-Tran" with an ETRAN application number in the subject line.

SOP 50 10 8, App. 12, p. 465

SOP 50 10 8.1 from 10/1/2026

Same addresses and rules; references the SBA Loan System and "APPLICATION NUMBER."

SOP 50 10 8.1, App. 12, p. 332

PCA NOTE System naming only.

Lender · CDC

64 504 personal financial statements

TIGHTENED MEDIUM IMPACT

Form 413 currency for 504

SOP 50 10 8 through 9/30/2026

504 application: SBA Form 413 or CDC equivalent "signed and dated within 120 days" for 20% owners; the Form 413 in the list of items not needing original signatures carried no date.

SOP 50 10 8, Sec. C, Ch. 1, ¶ F.2.a.xi and F.2.b.iv, p. 367 to 368

SOP 50 10 8.1 from 10/1/2026

Form 413 must be "signed and dated within 90 days," and the Form 413 item now reads "dated within 90 days of loan approval."

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ F.2.a.xii and F.2.b.iv, p. 240 to 241

PCA NOTE 504 buyers face the same 90 day refresh as 7(a) guarantors; coordinate PFS timing with the CDC's approval date.

CDC · Buyer Source notice: 5000-868123

CHANGE LOG

Credit Standards and Complete Changes of Ownership

SOP 50 10 8.1 moves all 7(a) change of ownership rules into a new Appendix 15 that overrides the rest of the SOP and treats acquisitions as a separate risk class. Deals now fall into four categories (Initial Acquisition, Business Expansion, Owner Buyout, ESOP and Cooperative), and the category sets the equity, DSC and due diligence rules. Initial Acquisitions need 1.25 historical DSC with no reliance on projections, 10% equity that cannot be waived, and a lender engaged Quality of Earnings report when the business price is $3 million or more. At least half of the equity must come from cash rather than standby seller notes or minority investor money. Amortization is capped at 10 years except for the real estate portion, and 7(a) Small loans can no longer fund acquisitions. Some changes loosen the rules: the seller can consult for up to 24 months instead of 12, and lenders may reduce or waive equity for qualifying add on acquisitions and owner buyouts. The general Standard 7(a) credit standards are mostly unchanged apart from a new credit report review and a new ban on counting education, advisory or Agent fees as equity.

NEW 24 · TIGHTENED 17 · UNCHANGED 15 · CLARIFIED 14 · MOVED 4 · REMOVED 3 · LOOSENED 1

1 Size standards

CLARIFIED · LOW IMPACT

Combined size in acquisitions

SOP 50 10 8 through 9/30/2026

For 7(a), if an existing business uses loan proceeds to acquire another business through an asset or stock purchase, "the sizes of the two businesses combined" determine whether the application meets size standards.

SOP 50 10 8, Sec. A, Ch. 1, ¶ D.2.b, p. 15

SOP 50 10 8.1 from 10/1/2026

"For 7(a) and 504 loans involving a business acquisition or change of ownership, the combined size of the Applicant and the acquired business must meet applicable size standards."

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ D.2.b, p. 15

PCA NOTE PCA sees no substantive change, only tighter wording. Holding company buyers who already own an operating business, and platform buyers doing add ons, still need to test size on a combined basis.

Buyer · Lender

2 Credit elsewhere

UNCHANGED LOW IMPACT

Credit not available elsewhere test and credit memo discussion

SOP 50 10 8 through 9/30/2026

Credit not available elsewhere rules sit in Sec. A, Ch. 1, ¶ H. The Standard 7(a) credit memo must discuss the factors showing the Applicant lacks credit elsewhere on reasonable commercial terms from non Federal, non State, non local government sources (cross referenced to "Section A, Ch. 2. Para. A").

SOP 50 10 8, Sec. A, Ch. 1, ¶ H, p. 38; Sec. B, Ch. 1, ¶ C.2.a.xi.a, p. 132

SOP 50 10 8.1 from 10/1/2026

Section A, Ch. 1, ¶ H text is unchanged. The Standard 7(a) credit memo requirement is unchanged, and its cross reference now correctly points to Sec. A, Ch. 1, ¶ H. Appendix 15 repeats the requirement for change of ownership credit memos.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ H, p. 37; Sec. B, Ch. 1, ¶ C.2.a.xi.a, p. 121; App. 15, ¶ C.2.b.ix.a, p. 358

PCA NOTE No change in substance. Lenders still need a specific, file ready explanation of why the acquisition cannot be financed conventionally on reasonable terms.

Lender · Buyer

3 Eligible Passive Companies

UNCHANGED LOW IMPACT

Change of ownership between existing EPC owners

SOP 50 10 8 through 9/30/2026

An EPC may use loan proceeds to finance a change of ownership between existing owners of the EPC only when the real estate or personal property has been held by the selling owner(s) for at least 36 months.

SOP 50 10 8, Sec. A, Ch. 2, ¶ A, p. 41

SOP 50 10 8.1 from 10/1/2026

Same 36 month holding rule, now also restated in Appendix 15 under Specialty Transaction Structures.

SOP 50 10 8.1, Sec. A, Ch. 2, ¶ A, p. 41; App. 15, ¶ A.4.a.i, p. 349

PCA NOTE Real estate holding company buyouts between existing owners still need the 36 month seasoning. Nothing new here, but the rule now lives in two places.

Buyer · Lender

4 Location of change of ownership rules

MOVED HIGH IMPACT

Standard 7(a) uses of proceeds

SOP 50 10 8 through 9/30/2026

Change of ownership eligibility, structures, seller rules, documentation and intangible asset rules were in Sec. B, Ch. 1, ¶ A.2 (13 CFR § 120.202), with equity, valuation and appraisal rules scattered across ¶ B.3.e and ¶ C.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2, pp. 117 to 121

SOP 50 10 8.1 from 10/1/2026

Sec. B, Ch. 1, ¶ A.2 now reads only "Change of Ownership: See Appendix 15: 7(a) Changes of Ownership." Appendix 15 consolidates eligibility, categories, uses of proceeds, maturities, due diligence, equity, underwriting, collateral and submission for all 7(a) change of ownership loans, and "If any section of SOP 50 10 conflicts with this Appendix, the rules contained in this Appendix shall govern."

SOP 50 10 8.1, Sec. B, Ch. 1, ¶ A.2, p. 117; App. 15, pp. 342 to 363

PCA NOTE PCA recommends every acquisition checklist, LOI template and lender term sheet now cite Appendix 15 rather than Chapter 1. Where Chapter 1 and Appendix 15 differ, Appendix 15 controls.

Lender · Buyer · Broker · Seller Source notice: 5000-880695

5 Borrower description and management

CLARIFIED · LOW IMPACT

Credit memo description of business and management

SOP 50 10 8 through 9/30/2026

Credit memo must cover nature of the business, length of time under current management, depth of management experience in the industry or a related industry, the management team and principals' daily onsite involvement, and any management agreement (which the Lender must obtain and review for passive business issues).

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.a.i, p. 130

SOP 50 10 8.1 from 10/1/2026

Chapter 1 text is unchanged. For change of ownership loans, Appendix 15 requires "A description of the business, its history, industry, and management structure," including the "Applicant's industry experience and management team" and daily onsite involvement, plus the same management agreement review.

SOP 50 10 8.1, Sec. B, Ch. 1, ¶ C.2.a.i, pp. 118 to 119; App. 15, ¶ C.2.b.i, p. 355

PCA NOTE Management experience is still judged case by case with no fixed years of experience test. Searchers without direct industry experience should expect the credit memo to lean on transferable experience, the seller transition plan and key employees.

Lender · Buyer

6 Credit history

NEW · MEDIUM IMPACT

Credit report review

SOP 50 10 8 through 9/30/2026

Standard 7(a) credit standards contained no explicit requirement to review credit reports of the Applicant, Associates and Guarantors.

SOP 50 10 8, Not addressed (Sec. B, Ch. 1, ¶ C.2.a.ii, p. 130)

SOP 50 10 8.1 from 10/1/2026

New item: "Review and analyze the Applicant(s), Associate(s), and Guarantor(s) credit reports and discuss any credit issues." For nondelegated loans, Lenders "should include a copy of the credit report, dated within 90 days" in the SBA Loan System submission.

SOP 50 10 8.1, Sec. B, Ch. 1, ¶ C.2.a.ii.c, p. 119

PCA NOTE Buyers and every Associate and guarantor should pull and clean up their own credit before the lender does. Unexplained derogatory items now have to be discussed in writing in the credit memo.

Lender · Buyer

7 Repayment ability

UNCHANGED · LOW IMPACT

Historical financial analysis for Standard 7(a)

SOP 50 10 8 through 9/30/2026

For existing businesses, analysis based on three most recent years of historical financial information (tax returns or balance sheet with debt schedule and income statement) plus an interim statement; if historical cash flow does not show sufficient coverage, Lender must obtain and analyze 2 years of detailed projections. OCF defined as EBITDA.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.a.ii, pp. 130 to 131

SOP 50 10 8.1 from 10/1/2026

Same text for general Standard 7(a) loans, except the term "operating cash flow (OCF)" is dropped and the item reads simply "Calculation of earnings before interest, taxes, depreciation, and amortization (EBITDA)"; the ratio is labeled DSC rather than OCF/DS. For change of ownership loans, Appendix 15 ¶ C.2.b.ii now controls.

SOP 50 10 8.1, Sec. B, Ch. 1, ¶ C.2.a.ii.d, pp. 119 to 120; ¶ C.2.a.iii, p. 120

PCA NOTE The general Chapter 1 standard still permits projections for a business that fails historical coverage, but that fallback does not carry over to acquisitions under Appendix 15.

Lender

8 Debt service coverage

UNCHANGED · MEDIUM IMPACT

General Standard 7(a) DSC and projection language

SOP 50 10 8 through 9/30/2026

DSC (OCF/DS) must be at least 1.15 on a historical and/or projected basis and 1:1 on a global basis; for "start ups, new businesses, changes of ownership, and other applications based on projections," projections must show 1.15 within 2 years of funding.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.a.ii.b and C.2.a.iii, pp. 131

SOP 50 10 8.1 from 10/1/2026

Chapter 1 still contains the same 1.15 / 1:1 language and still mentions changes of ownership in the projections sentence (also repeated in App. 20 ¶ A.1.d). For change of ownership transactions, Appendix 15 overrides this with category based historical DSC and bars reliance on projections.

SOP 50 10 8.1, Sec. B, Ch. 1, ¶ C.2.a.ii.b and C.2.a.iii, pp. 119 to 120; App. 20, ¶ A.1.d, p. 391

PCA NOTE PCA flags this as a leftover that could confuse: the Chapter 1 projection path is not available for acquisitions. Buyers should model to the Appendix 15 historical ratios, not to 1.15 on projections.

Lender · Buyer

9 Equity injection

MOVED · MEDIUM IMPACT

Change of ownership equity moved

SOP 50 10 8 through 9/30/2026

Change of ownership equity rules (complete change 10%, partner buyout tests, expansion exception) sat in the Standard 7(a) equity paragraph.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.b.iii, pp. 133 to 135

SOP 50 10 8.1 from 10/1/2026

"Changes of ownership: See Appendix 15: 7(a) Changes of Ownership for specific change of ownership equity requirements." The same pointer appears in the 7(a) Small / SBA Express and International Trade chapters.

SOP 50 10 8.1, Sec. B, Ch. 1, ¶ C.2.b.iii, p. 122; Sec. B, Ch. 2, ¶ C (equity), p. 131; Sec. B, Ch. 5, ¶ C (equity), p. 180

PCA NOTE Equity for any acquisition is now governed only by App. 15 ¶ C.2.a, including for SBA Express.

Lender · Buyer

10 Equity injection

TIGHTENED HIGH IMPACT

Prepaid expenses as equity

SOP 50 10 8 through 9/30/2026

"Prepaid expenses that the Lender has verified by obtaining paid invoices, canceled checks, or bank statements" could count as equity injection.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.b.iv.f, p. 135

SOP 50 10 8.1 from 10/1/2026

Only "Eligible prepaid expenses" count, and "Expenses related to education, advisory services, or fees paid by the Applicant to an Agent are not eligible prepaid expenses and are not considered equity."

SOP 50 10 8.1, Sec. B, Ch. 1, ¶ C.2.b.iv.f.i, pp. 122 to 123

PCA NOTE Searchers can no longer count search fund courses, deal advisory fees or loan packager / broker fees toward the 10%. Separately, App. 15 ¶ C.1 lets out of pocket spending on the required valuation and QoE count toward equity, so keep paid invoices for those.

Buyer · Lender · Broker

11 Equity injection

CLARIFIED MEDIUM IMPACT

Investor equity versus disguised debt

SOP 50 10 8 through 9/30/2026

An equity investment counts only if not subject to an agreement to repay equity or make distributions to recover the investment before guaranty release. "Whether called 'search funding' or by some other name," such investments (e.g., certain redeemable preferred stock) are debt.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.b.iv.g, p. 135

SOP 50 10 8.1 from 10/1/2026

Same rule, but the explicit reference to "search funding" is deleted. For acquisitions, App. 15 adds detailed rules for Non-controlling Minority Equity Investments (see equity source items below).

SOP 50 10 8.1, Sec. B, Ch. 1, ¶ C.2.b.iv.g, p. 123

PCA NOTE Removing the "search funding" callout does not bless redeemable or preferred return structures. Traditional search fund and independent sponsor capital stacks still need to be free of repayment or return of capital features before the guaranty is released.

Buyer · Lender

12 Equity injection

UNCHANGED · MEDIUM IMPACT

Verification of cash injection and gifted funds

SOP 50 10 8 through 9/30/2026

Lenders (except SBA Express and Export Express) must verify required equity before disbursing: copy of check or wire with proof it cleared, most recent statement(s) covering at least 30 days showing funds were available, and evidence of deposit or settlement statement. "A promissory note, 'gift letter,' or financial statement is not sufficient evidence of cash injection without corroborating evidence." Borrowed injection (HELOC, seller financing above the minimum) requires discussion of repayment and standby terms.

SOP 50 10 8, Sec. B, Ch. 5, ¶ D.3.f, pp. 319 to 320

SOP 50 10 8.1 from 10/1/2026

Identical requirements, relocated to the new Chapter 6.

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ D.3.f, p. 191

PCA NOTE Gifted funds remain usable as unborrowed cash, but a gift letter alone will not do. Buyers should season gifted and investor funds in a documented account and keep 30 day statements from the source account.

Lender · Buyer

13 7(a) Small and SBA Express

TIGHTENED · HIGH IMPACT

7(a) Small barred for acquisitions

SOP 50 10 8 through 9/30/2026

7(a) Small loans ($350,000 or less) could finance changes of ownership under their own streamlined rules, including their own business valuation provisions. Under PN 5000-876777 (effective March 1, 2026), 7(a) Small required 1.10 DSC with projections required for complete changes of ownership.

SOP 50 10 8, Sec. B, Ch. 2, ¶ A.2, p. 153; Sec. B, Ch. 2, ¶ C (change of ownership business valuation), pp. 180 to 181

SOP 50 10 8.1 from 10/1/2026

"Change of Ownership transactions cannot be financed using 7(a) Small standards and must be underwritten per the requirements outlined in Appendix 15." Appendix 15: "The use of 7(a) Small loans is not permitted for change of ownership transactions." The 7(a) Small projection method "is not applicable to change of ownership transactions."

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ A.2, p. 125; Sec. B, Ch. 2, ¶ C (7(a) Small DSC), pp. 129 to 130; App. 15, intro, p. 342

PCA NOTE Small main street deals under $350,000 lose the lighter 7(a) Small path. They must be done as Standard 7(a) or SBA Express loans underwritten to full Appendix 15, including an independent valuation, which raises cost on the smallest acquisitions.

Lender · Buyer · Broker Source notice: 5000-876777; 5000-880695

14 MARC

NEW　LOW IMPACT

Manufacturers revolver alongside an acquisition

SOP 50 10 8 through 9/30/2026

No MARC product existed in the SOP.

SOP 50 10 8, Not addressed

SOP 50 10 8.1 from 10/1/2026

7(a) MARC loans may not fund a change of ownership, but "a 7(a) MARC loan may be made to a business at the same time as the change of ownership to support working capital needs."

SOP 50 10 8.1, Sec. B, Ch. 3, ¶ A, p. 136

PCA NOTE Manufacturing acquirers can pair a MARC working capital revolver with the acquisition term loan, subject to the Appendix 15 line of credit and collateral rules.

Lender · Buyer　Source notice: 5000-870260

15 International Trade loans

TIGHTENED　LOW IMPACT

Acquisition categories allowed

SOP 50 10 8 through 9/30/2026

IT loan proceeds could fund a change of ownership (100% stock or substantially all assets) if the Applicant acquired facilities or equipment used in international trade and was otherwise IT eligible.

SOP 50 10 8, Sec. B, Ch. 4, ¶ C.2.a.iv, p. 284

SOP 50 10 8.1 from 10/1/2026

IT loans follow Appendix 15. Loans approved under the Development or Expansion of Export Market criteria may support Business Expansion and ESOP & Cooperative transactions; loans under the Adversely Affected by Import Competition criteria may support Business Expansion, Owner Buyout and ESOP & Cooperative. "IT loans cannot be used to support Initial Acquisition transactions."

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ C.2.a.iii, p. 175

PCA NOTE First time acquirers cannot use the International Trade loan and its 90% guaranty to buy a business. It remains an option for existing exporters doing add on acquisitions.

Lender · Buyer

16 Definitions

NEW　HIGH IMPACT

Business Purchase Price

SOP 50 10 8 through 9/30/2026

No defined term. "Purchase price of the business" included all assets acquired such as real estate, machinery and equipment, and intangibles.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.k, p. 121

SOP 50 10 8.1 from 10/1/2026

"Business Purchase Price: In a change of ownership transaction, the price set by the purchase and sales agreement, less the portion of owner-occupied commercial real estate assets being acquired in the transaction," established by the appraised value.

SOP 50 10 8.1, App. 3, p. 278; App. 15, ¶ A.2, p. 342

PCA NOTE This number drives the QoE threshold, the valuation test and the equity base, so buyers should compute it early: contract price minus appraised value of owner occupied real estate.

Buyer · Lender · Broker · Seller

17 Definitions

NEW HIGH IMPACT

Quality of Earnings

SOP 50 10 8 through 9/30/2026

No definition of QoE anywhere in the SOP.

SOP 50 10 8, Not addressed

SOP 50 10 8.1 from 10/1/2026

"A QoE analysis is an independent financial due diligence report that examines the reliability, sustainability, and accuracy of a business's historical and projected earnings. The QoE must be performed by an independent qualified financial professional and must be conducted for the benefit of the Lender. QoE must include a Cash Proof."

SOP 50 10 8.1, App. 3, p. 285

PCA NOTE Note the definition says "independent qualified financial professional" while App. 15 says "independent, experienced financial professional"; neither names a credential. Lenders will set their own approved provider lists.

Lender · Buyer

18 Definitions

CLARIFIED LOW IMPACT

New Business and expansion exception

SOP 50 10 8 through 9/30/2026

A business acquiring another in the same 6 digit NAICS code with identical ownership "and in the same geographic area" as Co Borrowers was a business expansion, not a new business (and, in 7(a), required no minimum equity).

SOP 50 10 8, App. 3, p. 408; Sec. B, Ch. 1, ¶ C.2.b.iii.b Note, p. 134

SOP 50 10 8.1 from 10/1/2026

The New Business definition drops the same geographic area test (same 6 digit NAICS, identical ownership, Co Borrowers). For 7(a) acquisitions, however, the separate Appendix 15 "Business Expansion" category now governs, using a four digit NAICS Industry Group test and its own equity and DSC rules.

SOP 50 10 8.1, App. 3, p. 282; App. 15, ¶ A.1.b, p. 345

PCA NOTE Do not rely on the App. 3 expansion language to skip 7(a) equity; for acquisitions, apply the Appendix 15 Business Expansion test instead.

Lender · Buyer · CDC Source notice: 5000-872764

19 Seller notes

TIGHTENED · HIGH IMPACT

Refinancing seller debt

SOP 50 10 8 through 9/30/2026

A seller financed note from a change of ownership could be refinanced if in place and current (not on standby) "for at least 24 months" and the refinance met the 10 percent payment improvement test.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.a.vii.a, p. 114

SOP 50 10 8.1 from 10/1/2026

Seller financed note must have been in place and current (not on standby) "for at least 36 months following the change of ownership," meet the 10 percent improvement test, "and must not reduce the Lender's exposure." App. 14 and App. 15 ¶ C.2.a.ii.b.ii(b) repeat the 36 month rule.

SOP 50 10 8.1, App. 15, ¶ A.3.a.i.a, pp. 348 to 349; App. 14, ¶ A.1.g.ii, pp. 335 to 336; App. 15, ¶ C.2.a.ii.b.ii(b), p. 354

PCA NOTE Sellers carrying paper should expect to hold it at least three years before an SBA refinance can take them out. Standby periods do not count toward seasoning.

Buyer · Seller · Lender · Broker

20 Seller notes

REMOVED · LOW IMPACT

Paying off seller debt at closing

SOP 50 10 8 through 9/30/2026

"Paying off debt as part of a change of ownership is not a refinance of debt. In a complete change of ownership situation, the option to assume the existing SBA debt should be offered to the buyer."

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.a.vii.d, p. 114

SOP 50 10 8.1 from 10/1/2026

Sentence not carried into Appendix 14 or Appendix 15.

SOP 50 10 8.1, Not addressed

PCA NOTE PCA reads the deletion as housekeeping; paying off the seller's business debt at closing is still a purchase price use, not a refinance. Buyers can still ask to assume an existing SBA loan, but the SOP no longer prompts it.

Lender · Seller

21 Seller notes

TIGHTENED · MEDIUM IMPACT

Seller's same institution loan paid off at closing

SOP 50 10 8 through 9/30/2026

Not treated as same institution debt refinancing: "When there is a complete change of ownership and the seller's loan is being paid off with proceeds from the Borrower's loan."

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.c.iii.c, p. 115

SOP 50 10 8.1 from 10/1/2026

Exemption now reads "When there is an Initial Acquisition change of ownership and the seller's loan is being paid off." SID refinancing may now be processed under PLP authority subject to App. 14 conditions.

SOP 50 10 8.1, App. 14, ¶ A.4.d.iii, p. 337

PCA NOTE If the buyer's lender also holds the seller's loan, only Initial Acquisitions get the clean exemption; Business Expansion and Owner Buyout deals must satisfy SID documentation (36 month payment transcript, late payment explanations).

Lender · Seller

22 Appendix 15 framework

NEW HIGH IMPACT

Purpose and override clause

SOP 50 10 8 through 9/30/2026

No framing language; change of ownership rules were one use of proceeds paragraph among many.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2, p. 117

SOP 50 10 8.1 from 10/1/2026

Change of ownership transactions "include credit risks that are not present in other segments of 7(a) lending." The Lender "must demonstrate the Applicant's ability to operate the business and repay the loan from cash flow" and "must satisfy all financial due diligence requirements." Sections not addressed remain governed by 7(a) program rules; Appendix 15 governs in any conflict.

SOP 50 10 8.1, App. 15, intro, p. 342

PCA NOTE SBA is signaling that acquisition loans will be examined as a distinct risk class. Expect lenders to apply the appendix literally and to document each element for purchase reviews.

Lender · Buyer · Broker · Seller Source notice: 5000-880695

23 Transaction structure

UNCHANGED MEDIUM IMPACT

Stock versus asset purchases

SOP 50 10 8 through 9/30/2026

Proceeds may fund a change of ownership through a stock purchase (including stock redemption) or asset purchase; an asset purchase is a change of ownership if the Applicant buys "all or substantially all of the assets" and continues the seller's operations.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2, p. 117

SOP 50 10 8.1 from 10/1/2026

Same rule restated.

SOP 50 10 8.1, App. 15, ¶ A, p. 342

PCA NOTE Buying most of a company's assets while leaving a few behind still triggers every Appendix 15 requirement.

Buyer · Seller · Lender

24 Eligibility

UNCHANGED LOW IMPACT

Sound development and borrower identity

SOP 50 10 8 through 9/30/2026

The change of ownership must "promote the sound development and/or preserve the existence of a small business"; the loan "cannot be made solely to an individual" and the small business must be Borrower or Co Borrower. Loan documentation had to include a written analysis of how the change promotes sound development, or the loan was ineligible.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.a, A.2.b and A.2.j.iv, pp. 117 and 121

SOP 50 10 8.1 from 10/1/2026

Same substantive requirement in ¶ A.1. The standalone documentation item requiring a written sound development analysis is no longer listed in the ¶ A.10 documentation list.

SOP 50 10 8.1, App. 15, ¶ A.1 and A.10, pp. 342 to 344

PCA NOTE The eligibility test itself is unchanged, so PCA still expects a short sound development discussion in the credit memo even though it is no longer a separately listed document.

Buyer · Lender

25 Financial due diligence

NEW HIGH IMPACT

Due diligence required on all deals; threshold based on price

SOP 50 10 8 through 9/30/2026

No unified concept. The independent valuation trigger was based on the amount financed (7(a), 504, seller and other financing) minus appraised real estate and equipment.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.e.v.b.i, p. 142

SOP 50 10 8.1 from 10/1/2026

"Financial due diligence is required on all change of ownership transactions." Requirements are determined by the Business Purchase Price, a threshold "independent of total project costs, the application of Borrower equity, structuring of seller debt, or any other measure that would reduce the 7(a) loan amount."

SOP 50 10 8.1, App. 15, ¶ A.3.a, pp. 342 to 343

PCA NOTE Structuring around thresholds no longer works: more seller paper or more equity will not avoid the QoE. Price is the only lever.

Lender · Buyer · Broker

26 Quality of Earnings

NEW · HIGH IMPACT

QoE drives DSC and loan sizing

SOP 50 10 8 through 9/30/2026

No QoE concept.

SOP 50 10 8, Not addressed

SOP 50 10 8.1 from 10/1/2026

When a QoE is required, "the Lender must use the report's findings to calculate the Debt Service Coverage. If that Debt Service Coverage does not support the business valuation and proposed debt structure, the loan amount must be reduced accordingly. Additional equity (unlimited or limited) may be used to make this adjustment."

SOP 50 10 8.1, App. 15, ¶ A.3.b, p. 343

PCA NOTE A QoE that trims seller add backs will shrink the SBA loan, and the gap must be filled with buyer equity or full standby seller debt. Buyers should build price adjustment rights into the LOI tied to QoE findings.

Lender · Buyer · Seller · Broker

27 Loan sizing

TIGHTENED · HIGH IMPACT

Total debt capped at business valuation

SOP 50 10 8 through 9/30/2026

"The maximum 7(a) loan uses of proceeds for any change of ownership is capped at the business valuation amount." When valuation was below the contract price, any financed shortfall (beyond the 7(a) loan and equity) had to be subordinate to the 7(a) loan.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.c, p. 117; ¶ C.3.e.v.b.v, p. 143

SOP 50 10 8.1 from 10/1/2026

"The total debt eligible to support a change of ownership transaction (including seller debt that is not on full standby) is limited to the business valuation amount and must be supported by the Debt Service Coverage." The valuation must support the Purchase Price "regardless of how the debt is structured. If the amount paid for the business exceeds the business valuation, the difference must be made up by equity."

SOP 50 10 8.1, App. 15, ¶ A.4, p. 343; App. 15, ¶ C.1.a.iv, p. 351

PCA NOTE Subordinated amortizing seller notes can no longer bridge a valuation gap. Any price above appraised value must be cash equity or seller debt on full standby.

Buyer · Seller · Lender · Broker

28 Intangible assets

CLARIFIED · LOW IMPACT

Goodwill financing

SOP 50 10 8 through 9/30/2026

Loans may finance intangibles (goodwill, customer lists, patents, IP, noncompetes) "as long as it is supported by an independent business valuation."

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.k, p. 121

SOP 50 10 8.1 from 10/1/2026

Same list, allowed "as long as the financial due diligence requirements set forth in Paragraph C.1 of this Appendix are met."

SOP 50 10 8.1, App. 15, ¶ A.6, p. 343

PCA NOTE Goodwill heavy service businesses remain financeable; support now means valuation plus QoE where the $3 million threshold applies.

Buyer · Lender

29 Tax transcripts

CLARIFIED · MEDIUM IMPACT

Verifying seller and Applicant financials

SOP 50 10 8 through 9/30/2026

Lender must comply with Sec. A, Ch. 5, ¶ B tax transcript requirements.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.i, p. 120

SOP 50 10 8.1 from 10/1/2026

Transcripts are "an extension of the financial due diligence requirements" used "to validate the information reported by the seller." Lender must also "obtain, review, and verify the Applicant's corporate tax returns against the tax transcripts."

SOP 50 10 8.1, App. 15, ¶ A.7, p. 343; ¶ C.2.b.ii.b, p. 356

PCA NOTE Sellers whose books do not tie to filed returns will face lower supported earnings. Brokers should get transcripts consistent with the CIM before going to market.

Lender · Seller · Buyer

30 Earnouts and rebates

CLARIFIED · MEDIUM IMPACT

Seller earnouts and buyer rebates

SOP 50 10 8 through 9/30/2026

Seller earnouts prohibited; buyer rebates allowed. Rebate funds "should first be applied to pay down the 7(a) loan to a point that will not trigger a subsidy recoupment fee," with any remainder usable for business purposes.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.d, p. 117

SOP 50 10 8.1 from 10/1/2026

Earnouts still prohibited. Rebate proceeds "must be applied to pay down the principal balance of the 7(a) loan," and per 13 CFR § 120.223 this required application "does not trigger a subsidy recoupment fee."

SOP 50 10 8.1, App. 15, ¶ A.8, p. 343

PCA NOTE Clawbacks and reverse earnouts in favor of the buyer still work, but every dollar now goes to principal rather than working capital. Contingent consideration to the seller remains off the table.

Buyer · Seller · Broker · Lender

31 Seller involvement

LOOSENED · HIGH IMPACT

Seller transition consulting period

SOP 50 10 8 through 9/30/2026

Seller may not remain as officer, director, stockholder or employee; for a "short transitional period" the business may contract with the seller as a consultant "for a period not to exceed 12 months including any extensions."

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.e, p. 117

SOP 50 10 8.1 from 10/1/2026

In a Business Expansion or Initial Acquisition the seller still may not remain as officer, director, stockholder or employee, but the business may contract with the seller as a consultant "for a period not to exceed 24 months (in aggregate, including any extensions)."

SOP 50 10 8.1, App. 15, ¶ A.9, p. 343

PCA NOTE Buyers can now negotiate up to two years of paid consulting transition, which helps first time operators and supports lender comfort on management. It is still a consulting contract, not employment or a board seat.

Seller · Buyer · Broker · Lender

32 Seller involvement

UNCHANGED LOW IMPACT

ESOP employees

SOP 50 10 8 through 9/30/2026

When buying a business owned by an ESOP, the employees (who own the ESOP) may remain as employees after the sale.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.f.vi, p. 119

SOP 50 10 8.1 from 10/1/2026

Same rule, restated with an added note in the ESOP category that employees of a dissolving ESOP, "except for illegal aliens," may remain.

SOP 50 10 8.1, App. 15, ¶ A.9, p. 343; ¶ A.1.d.i.b, p. 348

PCA NOTE No practical change for buyers of ESOP owned companies.

Buyer · Lender

33 Loan documentation

NEW HIGH IMPACT

Purchase agreements and outside capital

SOP 50 10 8 through 9/30/2026

Loan file had to include "Business, stock, and asset purchase agreements."

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.j.v, p. 121

SOP 50 10 8.1 from 10/1/2026

File must include "All related business, stock, and asset purchase agreements, including all schedules, and amendments." "For transactions involving external capital, the Lender must underwrite and review the terms of all other debt and equity investments," and any owner receiving shares for cash or other contributions is an equity investment.

SOP 50 10 8.1, App. 15, ¶ A.10.a and A.10.b, p. 344

PCA NOTE Independent sponsors and searchers should expect lenders to read the full operating agreement, investor side letters and any mezzanine or holdco notes. Terms that look like guaranteed returns will be caught at underwriting.

Lender · Buyer · Broker

34 Site visit

TIGHTENED MEDIUM IMPACT

Site visit of Applicant and target

SOP 50 10 8 through 9/30/2026

For complete changes of ownership and complete partner buyouts, a site visit of the business being acquired, with date and comments documented.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.j.ii, p. 121

SOP 50 10 8.1 from 10/1/2026

Site visit "for the Applicant and for the business being acquired" in all change of ownership categories. For businesses without a physical or customer facing location (e.g., ecommerce) the Lender may skip a physical visit if it documents why and uses alternatives such as virtual meetings or review of business records.

SOP 50 10 8.1, App. 15, ¶ A.10.c, p. 344

PCA NOTE Holding company buyers should be ready for the lender to visit their existing operation too. Online businesses now have a clear path to virtual verification.

Lender · Buyer

35 Real estate

CLARIFIED MEDIUM IMPACT

Appraisal and structure when real estate is included

SOP 50 10 8 through 9/30/2026

File required a commercial real estate appraisal meeting SBA requirements in ¶ C.3.e.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.j.iii, p. 121

SOP 50 10 8.1 from 10/1/2026

When real estate is part of the acquisition, the appraisal must meet App. 19 ¶ A.1.d, and "the real estate must be structured as either a separate loan or on a blended amortization" per App. 15 ¶ B.1.a.i.

SOP 50 10 8.1, App. 15, ¶ A.10.d and A.10.e, p. 344

PCA NOTE Deals that include the building now require an explicit structuring choice between a separate real estate loan (including 504) and a blended maturity.

Buyer · Lender · Seller

36 Real estate

REMOVED MEDIUM IMPACT

Extra appraisal review for businesses sold within 36 months

SOP 50 10 8 through 9/30/2026

For businesses transferred within 36 months before the application, SBA required a real estate appraisal plus either a review appraisal by another appraiser selected by the Lender or a site visit by a senior member of the Lender's staff.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.e.iv, pp. 141 to 142

SOP 50 10 8.1 from 10/1/2026

No counterpart in Appendix 15 or Appendix 19.

SOP 50 10 8.1, Not addressed

PCA NOTE Recently flipped businesses no longer trigger the extra review appraisal, though PCA expects lenders to scrutinize quick resales through the valuation and QoE.

Lender · Buyer

37 Collateral

UNCHANGED LOW IMPACT

All acquired assets pledged

SOP 50 10 8 through 9/30/2026

Except vehicles, evidence that all assets conveyed, including transferable licenses (e.g., liquor license), are properly secured as collateral.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.j.vi, p. 121

SOP 50 10 8.1 from 10/1/2026

Same requirement.

SOP 50 10 8.1, App. 15, ¶ A.10.f, p. 344

PCA NOTE No change; licenses such as liquor permits still need to be pledged where transferable.

Lender · Buyer

38 Transaction categories

NEW HIGH IMPACT

Four categories and data entry

SOP 50 10 8 through 9/30/2026

Two categories for full transactions: "Change of Ownership Resulting in a New Owner (complete change of ownership)" and "Change of Ownership Between Existing Owners (complete partner buyout)," plus partial changes.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.f and A.2.g, pp. 118 to 119

SOP 50 10 8.1 from 10/1/2026

Four categories: Initial Acquisition, Business Expansion, Owner Buyout (Existing and Partial Change), and ESOP and Cooperative. "Initial Acquisition is the default category"; to qualify for any other category the Lender must document in the credit memo how the Applicant satisfies it, and must input the type into the SBA Loan System.

SOP 50 10 8.1, App. 15, ¶ A.1 (Types of Changes of Ownership), p. 344

PCA NOTE Category drives equity flexibility, DSC (1.25 versus 1.15) and whether a QoE is required. Buyers should confirm the category with the lender at LOI stage.

Lender · Buyer · Broker · Seller Source notice: 5000-880695

39 Transaction categories

NEW HIGH IMPACT

Initial Acquisition

SOP 50 10 8 through 9/30/2026

A small business or a Person that is not an existing owner purchasing 100% of the ownership interest, or a small business acquiring another by asset purchase, was a complete change of ownership. Person buyers and the target had to be Co Borrowers and jointly sign the Note.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.f.i to A.2.f.iii, p. 118

SOP 50 10 8.1 from 10/1/2026

Initial Acquisition: a transaction "resulting in a new majority or largest individual owner who was not previously employed by, or a direct or indirect owner of, the business being acquired." Covers (i) a small business that is not an existing owner "and is not operating another business in the same NAICS Industry Group (four digit)" buying 100%; (ii) a Person buying 100% (Person and target are Co Borrowers and jointly execute the Note); (iii) a small business buying another by asset purchase. Target is Co Borrower if it survives as a separate entity.

SOP 50 10 8.1, App. 15, ¶ A.1.a, p. 345

PCA NOTE Search fund and independent sponsor acquisitions fall here: 10% equity that cannot be reduced, 1.25 DSC, and QoE at $3 million or more. Plan the capital stack on that basis.

Buyer · Lender · Broker

40 Transaction categories

NEW HIGH IMPACT

Business Expansion

SOP 50 10 8 through 9/30/2026

No expansion category for full acquisitions. A note in the equity section treated an acquisition in the same 6 digit NAICS code with identical ownership, in the same geographic area, as Co Borrowers, as a business expansion requiring no minimum equity.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.b.iii.b Note, p. 134

SOP 50 10 8.1 from 10/1/2026

Business Expansion: an existing small business "operating for at least two full fiscal years with the current ownership" buys 100% of another business in "the same NAICS Industry Group (four digit)." Must "result in the same or a greater number of full personal guarantors." Applicant is Borrower; target is Co Borrower if it survives as a separate entity.

SOP 50 10 8.1, App. 15, ¶ A.1.b, p. 345

PCA NOTE Add on acquisitions by an established platform get 1.15 DSC and possible equity relief, but only after two full fiscal years under current ownership. A newly acquired platform doing its first add on will likely be treated as an Initial Acquisition.

Buyer · Lender   Source notice: 5000-872764

41 Transaction categories

NEW HIGH IMPACT

Owner Buyout and the 50% outsider limit

SOP 50 10 8 through 9/30/2026

Complete partner buyout: one or more current owners buy the entire interest of another, or the company redeems it, resulting in 100% ownership by remaining owners. No limit on outsiders joining because outsiders joining was treated as a separate structure.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.g, p. 119

SOP 50 10 8.1 from 10/1/2026

Owner Buyout modifies the ownership of the Applicant without acquiring another entity or asset; at least one original owner must remain and guarantee. "Individuals not currently employed by the business may only acquire less than 50% of the total equity and may not become the largest direct or indirect shareholder," aggregating indirect interests through holding companies, trusts or partnerships. Otherwise the deal "must be processed as Initial Acquisition."

SOP 50 10 8.1, App. 15, ¶ A.1.c, pp. 345 to 346

PCA NOTE Employee and management buyouts qualify as Owner Buyouts, but an outside investor taking control turns the deal into an Initial Acquisition with its stricter equity rules.

Buyer · Seller · Lender

42 Transaction categories

MOVED · MEDIUM IMPACT

Existing Owner Buyout structures

SOP 50 10 8 through 9/30/2026

Buying partner(s) and business are Co Borrowers and jointly execute the Note; or the business redeems and is Borrower with remaining owners guaranteeing. Included the warning that if the small business denies liability for failure of consideration under state law, SBA may deny liability on its guaranty.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.g.i and A.2.g.ii, p. 119

SOP 50 10 8.1 from 10/1/2026

Same two structures under Existing Owner Buyout. The failure of consideration warning sentence is omitted (also omitted from the Initial Acquisition Person buyer structure).

SOP 50 10 8.1, App. 15, ¶ A.1.c.i, p. 346

PCA NOTE Structures are unchanged. Lenders should keep joint and several Note execution by the operating company, since the deleted warning reflected a real enforceability risk.

Buyer · Seller · Lender

43 Transaction categories

MOVED · LOW IMPACT

ESOP and Cooperative

SOP 50 10 8 through 9/30/2026

ESOP or equivalent trust buying 51% or more, loans to the company to relend to an ESOP, and cooperatives buying 51% or more; transaction costs (not trust or cooperative setup costs) eligible; cooperative loans may be PLP processed.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.f.iv, A.2.f.v and A.2.f.vii, pp. 118 to 119

SOP 50 10 8.1 from 10/1/2026

Same rules grouped under ESOP & Cooperatives.

SOP 50 10 8.1, App. 15, ¶ A.1.d, pp. 347 to 348

PCA NOTE No substantive change for ESOP sellers, though the category now carries a 1.25 DSC requirement.

Buyer · Lender · Seller

44 Guaranties

CLARIFIED · MEDIUM IMPACT

Guarantor determination after sale

SOP 50 10 8 through 9/30/2026

All owners of the Applicant and the acquired business (if Co Borrower) subject to Sec. A, Ch. 5, ¶ A guaranty rules.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.f.i and A.2.f.iii, p. 118

SOP 50 10 8.1 from 10/1/2026

Same, and for all change of ownership transactions the percentages for determining who must guarantee are "based on the post-sale percentage of direct and/or indirect ownership in the business." Additional App. 15 guaranty requirements apply to all changes of ownership.

SOP 50 10 8.1, App. 15, ¶ A.2 (Personal Guaranties), p. 348

PCA NOTE Investors holding 20% or more after closing, directly or through a holdco, must guarantee. Sponsors should model post closing cap tables with that line in mind.

Buyer · Lender

45 Uses of proceeds

NEW · MEDIUM IMPACT

Permitted acquisition uses

SOP 50 10 8 through 9/30/2026

No acquisition specific list; general 7(a) uses applied.

SOP 50 10 8, Not addressed

SOP 50 10 8.1 from 10/1/2026

Change of ownership transactions may include funds for: working capital; "Borrower out of pocket expenses (including business valuations and QoE)"; and owner occupied commercial real estate when structured on a blended basis.

SOP 50 10 8.1, App. 15, ¶ A.3.b.i, p. 349

PCA NOTE Buyers can roll the cost of the valuation and QoE into the loan, or pay them in cash and count them toward equity.

Buyer · Lender

46 Loan terms

TIGHTENED · HIGH IMPACT

Maturity: 10 year cap and end of the 51% real estate rule

SOP 50 10 8 through 9/30/2026

Mixed purpose and change of ownership loans could use a blended maturity or, "if 51% or more of the use of the 7(a) loan's proceeds are for real estate, the maximum maturity may be up to 25 years." For stock purchases, maturity could be based on underlying assets financed as supported by the valuation/appraisal.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.3.e, p. 123

SOP 50 10 8.1 from 10/1/2026

Change of ownership loans need a stated amortization and no balloon, and "must not have an amortization that exceeds 10 years." With real estate, use separate loans (including 504) or a blend "on a weighted average basis, rounded to the nearest full year"; only the real estate portion may exceed 10 years (to 25), soft costs and working capital get 10 years, the calculation is made before equity and stated in the credit memo, and 504 may not be blended.

SOP 50 10 8.1, App. 15, ¶ B.1.a, pp. 349 to 350; App. 17, ¶ A.5, p. 367

PCA NOTE The old tactic of stretching a whole deal to 25 years because real estate was at least 51% of proceeds is gone. Expect higher annual debt service on deals with real estate unless the property is split into its own loan.

Buyer · Lender · Seller · Broker

47 Working capital line

NEW · HIGH IMPACT

Funding part of the purchase on a line of credit

SOP 50 10 8 through 9/30/2026

Lender had discretion to take trading assets or leave them available for a line of credit; no rule on funding purchase price through a line.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.d.i.e, p. 137

SOP 50 10 8.1 from 10/1/2026

Lenders may fund part of the purchase tied to working assets on a line of credit. If the line needs first lien on acquired receivables and inventory, the Lender may release them from the 7(a) term loan only if it applies "no less than 20% and not more than 50% of the day-one line of credit availability" to the opening balance to fund the purchase (committed limit for a revolver; initial borrowing base for an ABL). If day one availability would be under 20%, the option cannot be used. Not applicable to lines in second lien position such as SBA Express.

SOP 50 10 8.1, App. 15, ¶ B.1.a.ii, p. 350; ¶ C.3.d.i.e, pp. 360 to 361

PCA NOTE This gives a defined structure to split the purchase between the term loan and a revolver, but the buyer must leave meaningful availability open after closing. Model the borrowing base carefully.

Lender · Buyer

48 Financial due diligence

NEW · MEDIUM IMPACT

Role, cost and equity credit

SOP 50 10 8 through 9/30/2026

Cost of the business valuation "may be passed on to the Applicant."

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.e.v.b, p. 142

SOP 50 10 8.1 from 10/1/2026

Financial due diligence "is part of the primary underwriting and eligibility determination." Out of pocket costs of all financial due diligence reports may be passed to the borrower, and "Any funds expended by the Applicant on the report can count toward the equity injection."

SOP 50 10 8.1, App. 15, ¶ C.1, p. 350

PCA NOTE Because diligence is now an eligibility element, a missing or deficient QoE or valuation is a guaranty repair or denial risk for lenders. Buyers should keep proof of payment to claim equity credit.

Buyer · Lender

49 Business valuation

UNCHANGED · LOW IMPACT

Qualified Source

SOP 50 10 8 through 9/30/2026

Qualified Source (App. 3): individual who regularly receives compensation for business valuations, holds ASA, CBA, ABV, CVA or BCA, and is independent of loan production, not involved in approval, and free of apparent conflict.

SOP 50 10 8, App. 3, pp. 409 to 410

SOP 50 10 8.1 from 10/1/2026

Same definition in App. 3, now also printed in full inside App. 15.

SOP 50 10 8.1, App. 3, pp. 284 to 285; App. 15, ¶ C.1.a.i.a, p. 351

PCA NOTE Credential list is unchanged; confirm the valuator's designation before engagement.

Lender · Buyer

50 Business valuation

UNCHANGED · MEDIUM IMPACT

Engagement and scope

SOP 50 10 8 through 9/30/2026

Valuation must be requested by and prepared for the Lender; scope identifies asset or stock purchase and what is included (including assumed debt); must include conclusion of value, qualifications and signed certification; Lender may not use a valuation prepared for the Applicant or seller.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.e.v.b, p. 142

SOP 50 10 8.1 from 10/1/2026

Same requirements, split into separate subparagraphs.

SOP 50 10 8.1, App. 15, ¶ C.1.a.ii and C.1.a.iii, p. 351

PCA NOTE Broker prepared or seller commissioned valuations still cannot be used.

Lender · Buyer · Broker

51 Business valuation

TIGHTENED · HIGH IMPACT

Lender prepared valuation and close relationship triggers

SOP 50 10 8 through 9/30/2026

If the amount financed (7(a), 504, seller or other) minus appraised real estate and equipment was $250,000 or less, the Lender could perform its own valuation unless its policy required otherwise. Above $250,000, or with a close buyer/seller relationship, an independent Qualified Source valuation was required.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.e.v.b.i, p. 142

SOP 50 10 8.1 from 10/1/2026

No $250,000 lender valuation option. Appendix 15 requires a business valuation supporting the price by "an independent Qualified Source" for every change of ownership, and the 7(a) Small path is closed.

SOP 50 10 8.1, App. 15, ¶ C.1.a.i and C.1.a.iv, pp. 350 to 351

PCA NOTE PCA reads this as requiring a third party valuation on every SBA acquisition, including very small deals. Budget for that cost from the start.

Lender · Buyer · Broker

52 Business valuation

REMOVED MEDIUM IMPACT

Special purpose properties

SOP 50 10 8 through 9/30/2026

For businesses in a Special Purpose Property above $250,000 (or close relationship), the valuation had to be performed by a Certified General Real Property Appraiser with at least four going concern appraisals of similar property in the last 36 months, allocating value among land, building, equipment and intangibles, under USPAP.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.e.v.b.ii, pp. 142 to 143

SOP 50 10 8.1 from 10/1/2026

No special purpose property valuation rule in Appendix 15. App. 19 ¶ A.1.e still tells Lenders to follow App. 15 valuation rules "including any required independent valuation thresholds, special purpose property requirements," but App. 15 contains none.

SOP 50 10 8.1, App. 19, ¶ A.1.e, p. 382; Not addressed in App. 15

PCA NOTE For hotels, car washes, gas stations and similar deals, PCA expects many lenders to keep ordering going concern appraisals as a best practice until SBA clarifies the cross reference.

Lender · Buyer

53 Business valuation

UNCHANGED MEDIUM IMPACT

Verifying the valuator's financial data

SOP 50 10 8 through 9/30/2026

Lender must obtain the financial information relied on by the valuator and verify it against the seller's IRS transcripts.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.e.v.b.vi, pp. 143 to 144

SOP 50 10 8.1 from 10/1/2026

Same requirement.

SOP 50 10 8.1, App. 15, ¶ C.1.a.iv.a.i, p. 351

PCA NOTE Valuations built on recast or management numbers that do not tie to transcripts remain a lender risk.

Lender · Seller

54 Quality of Earnings

NEW HIGH IMPACT

When a QoE is required

SOP 50 10 8 through 9/30/2026

No QoE requirement.

SOP 50 10 8, Not addressed

SOP 50 10 8.1 from 10/1/2026

For Business Expansion and Initial Acquisition transactions where the Purchase Price is "equal to or greater than $3 million," the Lender must obtain a QoE in addition to the valuation. The threshold is set "before the application of buyer equity, seller debt, or other financing sources." Owner Buyout and ESOP & Cooperative transactions are exempt.

SOP 50 10 8.1, App. 15, ¶ C.1.a.iv.a.ii(a), pp. 351 to 352

PCA NOTE Budget for a lender grade QoE on any Initial Acquisition at $3 million or more of business price (excluding owner occupied real estate). Buyers near the line cannot avoid it with seller notes.

Buyer · Lender · Broker · Seller Source notice: 5000-880695

55 Quality of Earnings

NEW HIGH IMPACT

Who performs it and for whom

SOP 50 10 8 through 9/30/2026

No requirement.

SOP 50 10 8, Not addressed

SOP 50 10 8.1 from 10/1/2026

"The QoE must be performed by an independent, experienced financial professional and must be conducted for the benefit of the Lender. As the QoE is part of the financial due diligence of the transaction, the report may not be prepared by or for the borrower or seller."

SOP 50 10 8.1, App. 15, ¶ C.1.a.iv.a.ii(b), p. 352

PCA NOTE A buyer's own QoE or a sell side QoE will not satisfy SBA. Buyers should ask the lender to engage their preferred firm on the lender's behalf, or accept that two reports may be needed.

Lender · Buyer · Seller

56 Quality of Earnings

NEW HIGH IMPACT

Required content, Cash Proof and use in DSC

SOP 50 10 8 through 9/30/2026

No requirement.

SOP 50 10 8, Not addressed

SOP 50 10 8.1 from 10/1/2026

The QoE must reconcile accountant prepared statements, tax returns, internal statements and IRS transcript data into normalized, arm's length earnings; include a Cash Proof reconciling bank statements to the income statement and tax return "on both a trailing 12-month basis and the last two fiscal years"; document all add backs (non recurring items, above or below market owner pay, related party transactions, deferred maintenance, cash versus accrual differences); and assess revenue quality including customer concentration and contract continuity. Lender must use the QoE earnings in the DSC and retain the report.

SOP 50 10 8.1, App. 15, ¶ C.1.a.iv.a.ii(b)(i) to (iv), p. 352

PCA NOTE Sellers need clean bank records covering the trailing 12 months and the last two fiscal years. Cash heavy businesses with unreported revenue will not get credit for it.

Lender · Buyer · Seller

57 Equity injection

TIGHTENED HIGH IMPACT

Base for the equity calculation

SOP 50 10 8 through 9/30/2026

Complete change of ownership: at least 10 percent of "total project costs, (all costs required to complete the change of ownership, regardless of the source of funds, except for lines of credit and 504 loans)."

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.b.iii.b, pp. 133 to 134

SOP 50 10 8.1 from 10/1/2026

Equity is based on the total project cost of the business (Purchase Price) "plus any additional use of proceeds that are included in the loan request"; for Owner Buyouts, on the purchase price in the purchase agreement. Real estate bought with the business is subject to the same equity requirement; when split into two loans, equity is allocated pro rata.

SOP 50 10 8.1, App. 15, ¶ C.2.a.i, pp. 352 to 353

PCA NOTE Working capital, closing costs and real estate financed in the deal all carry the 10%. Buyers should size equity off the full sources and uses, not just the price.

Buyer · Lender · Seller

58 Equity injection

CLARIFIED HIGH IMPACT

Initial Acquisition minimum

SOP 50 10 8 through 9/30/2026

At least 10 percent for complete changes of ownership, with seller debt counting only if on full standby for the life of the loan and not over half the required injection.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.b.iii.b, p. 134

SOP 50 10 8.1 from 10/1/2026

"Initial Acquisition: 10%. For Initial Acquisitions, the required equity injection cannot be reduced or eliminated."

SOP 50 10 8.1, App. 15, ¶ C.2.a.i.a.i, p. 353

PCA NOTE The 10% floor for first time buyers is firm, with no lender discretion to waive it.

Buyer · Lender · Broker

59 Equity injection

NEW HIGH IMPACT

Business Expansion and Owner Buyout: reducible 10%

SOP 50 10 8 through 9/30/2026

Same NAICS, identical ownership expansions required no minimum equity. Complete partner buyouts financed over 90% had to show the remaining owners' 24 months of active participation and a pre sale debt to worth of 9:1 or better; otherwise remaining owners contributed cash equal to the lesser of the amount needed to reach 9:1 or 10% of the price.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.b.iii.b Note and C.2.b.iii.c, p. 134

SOP 50 10 8.1 from 10/1/2026

Business Expansion, Owner Buyout and ESOP & Cooperative: 10%. For Business Expansions and Owner Buyouts the Lender "may reduce or eliminate this requirement" if the Borrower has sufficient liquidity and working capital, and the balance sheet has no negative net worth at last fiscal year end. If equity is eliminated, no permanent working capital in this or any other 7(a) term loan within 90 days; working capital must come from existing cash or a line of credit.

SOP 50 10 8.1, App. 15, ¶ C.2.a.i.a.ii, p. 353

PCA NOTE The objective 24 month and 9:1 tests are replaced by lender judgment. Strong platforms can still close add ons and partner buyouts with little or no cash in, but not while also borrowing term working capital.

Buyer · Lender · Seller

60 Equity injection

UNCHANGED LOW IMPACT

ESOP exemption

SOP 50 10 8 through 9/30/2026

Loans to ESOPs to buy a controlling interest (at least 51 percent) are not subject to SBA equity injection.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.b.iii.a, p. 133

SOP 50 10 8.1 from 10/1/2026

Same exemption, stated twice in App. 15 ¶ C.2.a.i. Cooperatives remain at 10%.

SOP 50 10 8.1, App. 15, ¶ C.2.a.i and C.2.a.i.a.ii(b), pp. 352 to 353

PCA NOTE No change for ESOP transactions.

Lender · Seller

61 Equity sources

CLARIFIED MEDIUM IMPACT

Unlimited sources

SOP 50 10 8 through 9/30/2026

Eligible equity included unborrowed cash, cash from a personal loan repayable from a source other than business cash flow, grants without repayment or clawback, non cash assets (independent appraisal if above net book value), verified prepaid expenses, and equity not subject to repayment before guaranty release.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.b.iv, p. 135

SOP 50 10 8.1 from 10/1/2026

For acquisitions, "Unlimited Equity Injection Sources" are: unborrowed cash; cash from a "personal loan to a guarantor" repaid from a source other than business cash flow (owner salary does not qualify); and grants with no conditional repayment, clawback or other repayment provision during the loan term.

SOP 50 10 8.1, App. 15, ¶ C.2.a.ii.a, pp. 353 to 354

PCA NOTE Buyer cash, gifted cash and guarantor personal loans (such as a HELOC repaid from outside income) can fund all of the equity. The App. 15 list does not repeat non cash assets or prepaid expenses, so confirm with the lender before relying on them.

Buyer · Lender

62 Equity sources

NEW HIGH IMPACT

Limited sources capped at half

SOP 50 10 8 through 9/30/2026

Seller debt counted only if on full standby for the life of the SBA loan and did not exceed half the required injection. Other standby debt and qualifying investor equity were not capped.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.b.iii.b and C.2.b.iv.a, pp. 134 to 135

SOP 50 10 8.1 from 10/1/2026

"Limited Equity Injection Sources," namely standby debt, full standby seller debt and Non-controlling Minority Equity Investments, "whether individually or in the aggregate, may provide no more than half of the required Equity Injection." More limited sources may be added when the price exceeds the value supported by the valuation and QoE, but those additional funds must be on full standby.

SOP 50 10 8.1, App. 15, ¶ C.2.a.ii.b, p. 354

PCA NOTE On a $5 million Initial Acquisition requiring $500,000, at least $250,000 must come from unlimited sources such as buyer or guarantor cash. Outside minority investor money and seller standby notes together cannot cover more than the other half.

Buyer · Seller · Lender · Broker

63 Equity sources

TIGHTENED MEDIUM IMPACT

Standby debt

SOP 50 10 8 through 9/30/2026

Only debt on full standby (no principal or interest for the 7(a) term) counts; SBA Form 155 or equivalent with Note attached; interest may accrue; standby creditor subordinates liens and takes no action without Lender consent.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.b.iv.a, p. 135

SOP 50 10 8.1 from 10/1/2026

Same terms, Note must also be in the credit file, and "The provider of standby debt may not take an equity investment in the business." Standby debt is now a limited source.

SOP 50 10 8.1, App. 15, ¶ C.2.a.ii.b.i, p. 354

PCA NOTE Investors cannot combine a standby note with an equity stake to stretch the equity count. Sponsors should pick one form per capital provider.

Buyer · Lender

64 Equity sources

CLARIFIED HIGH IMPACT

Seller debt on full standby

SOP 50 10 8 through 9/30/2026

Seller debt counted toward equity only if on full standby for the life of the SBA loan and not over half the SBA required injection.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.b.iii.b, p. 134

SOP 50 10 8.1 from 10/1/2026

Seller debt "subordinated to the Lender and on full standby (no payments of principal or interest for the term of the 7(a) loan)" may count as equity, within the aggregate half cap. Such seller debt "is eligible to be refinanced after it has been in place and current for 36 months."

SOP 50 10 8.1, App. 15, ¶ C.2.a.ii.b.ii, p. 354

PCA NOTE The 5% standby seller note remains available. PCA notes tension with App. 15 ¶ A.3.a.i.a, which requires a seller note to be current "not on standby" for 36 months before refinance, so sellers should not assume an early SBA takeout of a standby note.

Seller · Buyer · Lender · Broker

65 Equity sources

NEW HIGH IMPACT

Minority equity investments under 20% with no control

SOP 50 10 8 through 9/30/2026

Any equity investment counted if not subject to repayment or return of capital distributions before guaranty release; no ownership or distribution limits.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.b.iv.g, p. 135

SOP 50 10 8.1 from 10/1/2026

To count, the investor must hold "less than 20% equity in and exert no control over the operating business," with no agreement to repay or distribute to recover the investment before guaranty release. Lender must document all terms, "including provisions that are realized upon the sale of the business." If used for the injection, distributions other than for the investor's tax obligations are prohibited "until the 7(a) loan has been paid off." Investments beyond the injection may receive normal distributions, and Lenders may require DSC covenants.

SOP 50 10 8.1, App. 15, ¶ C.2.a.ii.b.iii, pp. 354 to 355

PCA NOTE This is the biggest change for search funds and independent sponsors: passive LP money counts only toward half the injection and is locked to tax distributions for the life of the loan. Overfunding equity beyond the 10% lets investors receive distributions, subject to lender covenants.

Buyer · Lender · Broker

66 Repayment ability

TIGHTENED HIGH IMPACT

Financial statements required for acquisitions

SOP 50 10 8 through 9/30/2026

Three most recent years of historical financial information (tax returns or balance sheet with debt schedule and income statement) plus an interim statement.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.a.ii.a, pp. 130 to 131

SOP 50 10 8.1 from 10/1/2026

For the acquired business and any operating Applicant: three most recent year end periods "using the highest level of financial reporting available," ranked (1) audited, (2) reviewed (including AICPA SSARS AR-C 90), (3) CPA compiled, (4) corporate tax returns; plus the most current interim and "the comparable interim financial statement from the previous year."

SOP 50 10 8.1, App. 15, ¶ C.2.b.ii.a, pp. 355 to 356

PCA NOTE If a reviewed or audited statement exists, it must be used even if tax returns look better. Sellers should prepare year over year interim comparisons.

Lender · Seller · Buyer

67 Debt service coverage

TIGHTENED HIGH IMPACT

Category based minimum DSC

SOP 50 10 8 through 9/30/2026

DSC of at least 1.15 on a historical and/or projected basis, and 1:1 global.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.a.iii, p. 131

SOP 50 10 8.1 from 10/1/2026

DSC must be met using "either the last fiscal year end or an average of the last two fiscal year end statements on either a historical or adjusted basis": Initial Acquisition 1.25:1; Business Expansion 1.15:1; Owner Buyout 1.25:1; ESOP and Cooperative 1.25:1.

SOP 50 10 8.1, App. 15, ¶ C.2.b.ii.c, p. 356

PCA NOTE Most searcher deals move from 1.15 to 1.25, which cuts supportable debt by roughly 8%. Price and structure should be tested at 1.25 on the last full year or two year average.

Buyer · Lender · Seller · Broker

68 Debt service coverage

NEW MEDIUM IMPACT

Historical DSC definition and rent add back

SOP 50 10 8 through 9/30/2026

DS was future principal and interest on all business debt including the new SBA loan; OCF defined as EBITDA; rent payments were a permitted adjustment.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.a.ii.c.ii and C.2.a.iii, p. 131

SOP 50 10 8.1 from 10/1/2026

Historical DSC is "EBITDA divided by the combined debt service post-transaction." Lenders may add back rent when owner occupied commercial real estate is part of the transaction. The Lender must input historical DSC into the SBA Loan System.

SOP 50 10 8.1, App. 15, ¶ C.2.b.ii.d, p. 356

PCA NOTE SBA will now capture reported DSC at the loan level, so expect lender consistency and later scrutiny on purchase review.

Lender · Buyer

69 Debt service coverage

NEW HIGH IMPACT

Adjusted DSC and add backs

SOP 50 10 8 through 9/30/2026

Lender had to justify additions and subtractions such as unfunded capex, non recurring income, expenses and distributions, S corp tax distributions, rent, owner's draw, and global cash flow.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.a.ii.c.iii, p. 131

SOP 50 10 8.1 from 10/1/2026

Lender may make "prudent adjustments" for savings realized through the transaction (for Business Expansion, based on combined entities when the target operates independently). Allowed adjustments include unfunded capex, non recurring income, distributions, S corp tax distributions, "Seller discretionary expenses," and ownership compensation; owner compensation changes need a global cash flow at 1:1 and must cover living expenses. Each adjustment must be justified in the credit memo, and unsupported adjustments are "ineligible." Adjusted DSC must be input into the SBA Loan System.

SOP 50 10 8.1, App. 15, ¶ C.2.b.ii.e, pp. 356 to 357

PCA NOTE Seller discretionary earnings add backs are recognized, but each one must be defended in writing. Buyers who plan to pay themselves a low salary to make DSC work must show their personal budget supports it.

Lender · Buyer · Seller · Broker

70 Debt service coverage

TIGHTENED HIGH IMPACT

No reliance on projections

SOP 50 10 8 through 9/30/2026

For changes of ownership, projections with assumptions showing 1.15 within 2 years of funding were acceptable, and if historical coverage failed the Lender could rely on 2 years of projections.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.a.ii.b and C.2.a.ii.c.i, p. 131

SOP 50 10 8.1 from 10/1/2026

"The Lender must evaluate the Applicant's post-closing financial projections but may not rely on them to meet the DSC requirement."

SOP 50 10 8.1, App. 15, ¶ C.2.b.ii.f, p. 357

PCA NOTE Growth stories no longer rescue a thin deal. The target's historical or properly adjusted earnings must carry the debt on day one.

Buyer · Lender · Broker

71 Debt service coverage

NEW · HIGH IMPACT

Interest only seller or other debt

SOP 50 10 8 through 9/30/2026

No rule on how to count interest only subordinate debt in DSC.

SOP 50 10 8, Not addressed

SOP 50 10 8.1 from 10/1/2026

When additional acquisition debt not on full standby is interest only, "the Lender must apply an amortization that does not exceed 10 years" in the DSC calculation (lines of credit excepted), "to ensure that the business can service all debt associated with the acquisition, regardless of the source or structure."

SOP 50 10 8.1, App. 15, ¶ C.2.b.ii.g, p. 357

PCA NOTE Interest only seller notes, holdco notes or mezzanine debt no longer flatter coverage. Model them on a 10 year amortization when sizing the deal.

Buyer · Seller · Lender · Broker

72 Debt service coverage

UNCHANGED · LOW IMPACT

Global cash flow and affiliates

SOP 50 10 8 through 9/30/2026

Global cash flow analysis including affiliates; 1:1 on a global basis; effect of affiliates on repayment.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.a.ii.c.iii(g), C.2.a.ii.c.iv and C.2.a.iii, p. 131

SOP 50 10 8.1 from 10/1/2026

Same, restated for acquisitions as global cash flow meeting 1:1 DSC and effect of affiliates.

SOP 50 10 8.1, App. 15, ¶ C.2.b.ii.h, p. 357

PCA NOTE No change; buyers with other businesses or W2 income should expect a personal and affiliate global analysis.

Lender · Buyer

73 Credit memo

CLARIFIED · LOW IMPACT

Items in lender's rationale

SOP 50 10 8 through 9/30/2026

Rationale had to discuss credit elsewhere, working capital over 50%, competition, seller financing, standby agreements, 90+ day delinquencies, trade disputes, citations, the business valuation supporting price, liens and litigation, franchise data and other information. Pro forma balance sheet, ratios, 12 month working capital, collateral, insurance and refinancing were also required.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.a.v to C.2.a.xi, pp. 132 to 133

SOP 50 10 8.1 from 10/1/2026

App. 15 keeps the pro forma, ratio, working capital, collateral, insurance and refinancing items and the rationale list, but drops "Seller financing," "Stand-by agreements" and the valuation discussion from the rationale list because they are covered by the new due diligence, equity and external capital rules.

SOP 50 10 8.1, App. 15, ¶ C.2.b.iii to C.2.b.ix, pp. 357 to 358

PCA NOTE Seller notes and standby terms are still underwritten, now under ¶ A.10.b and the equity source rules rather than as a checklist item.

Lender

74 Collateral

TIGHTENED MEDIUM IMPACT

Receivables and inventory must be pledged

SOP 50 10 8 through 9/30/2026

SBA left it to the Lender whether to take trading assets or leave them free for a line of credit; if taken, 10% of book value counted toward fully secured.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.d.i.e, pp. 137 to 138

SOP 50 10 8.1 from 10/1/2026

For change of ownership loans, "Lenders must take a security interest in the accounts receivable and inventory of the operating entity," valued at no more than 10% of current book value, subject to the line of credit carve out in ¶ C.3.d.i.e.

SOP 50 10 8.1, App. 15, ¶ C.3.d.i.d, p. 360

PCA NOTE A separate working capital lender will need an intercreditor arrangement or must use the 20% to 50% day one funding structure to get first lien on trading assets.

Lender · Buyer

75 Collateral

TIGHTENED MEDIUM IMPACT

Personal real estate in a shortfall

SOP 50 10 8 through 9/30/2026

If not fully secured, Lender must take available equity in personal real estate solely owned by Co Borrowers, 20% owners and guarantors (except Supplemental Guarantors), limited to the shortfall or 150% of equity; may include trading assets; real estate with under 25% equity could be excluded.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.d.ii and C.3.d.iii, p. 138

SOP 50 10 8.1 from 10/1/2026

Same rule, but "solely owned" now "includes property held in an entity that is solely owned, directly or indirectly, by such persons," and "lack of equity" means under 25% equity after existing liens; "the mere presence of a prior lien that restricts or prohibits the placement of a junior lien does not, by itself, constitute 'lack of equity.'"

SOP 50 10 8.1, App. 15, ¶ C.3.d.ii, pp. 361 to 362

PCA NOTE Buyers cannot shield a home or rental by holding it in a single member LLC, and a first mortgage clause barring junior liens is not an excuse.

Buyer · Lender

76 Submission

TIGHTENED · HIGH IMPACT

PLP timing for valuation and QoE

SOP 50 10 8 through 9/30/2026

Under PLP, the valuation could be obtained and reviewed after the SBA Loan Number and before closing, with an estimated value in the credit memo, updated after receipt to compare loan amount to valuation.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.e.v.b.iv, p. 143

SOP 50 10 8.1 from 10/1/2026

Under PLP, the valuation and QoE may follow the loan number "so long as they are in process," but both "must have been formally engaged (i.e., a vendor must have been retained, and an engagement letter must be in place) at the time that the SBA Loan Number is issued." The memo must include an estimated value and later be updated for QoE findings, any DSC impact, and valuation results affecting price or equity structure.

SOP 50 10 8.1, App. 15, ¶ D.1.b to D.1.e, pp. 362 to 363

PCA NOTE Buyers should expect the lender to engage the valuation and QoE providers, and to pass those costs through, before the lender pulls a loan number, which moves that spend earlier in the deal.

Lender · Buyer

77 Submission

UNCHANGED · MEDIUM IMPACT

Nondelegated (LGPC) package

SOP 50 10 8 through 9/30/2026

For LGPC submissions, the business valuation must be submitted with the application. Nondelegated packages for purchasing an existing business include buy sell agreement, valuation, pro forma balance sheet of the target at transfer, seller's 3 years of financial statements and interim statements within 120 days (or alternate revenue verification).

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.e.v.b.iii, p. 143; ¶ D.1.l, pp. 146 to 147

SOP 50 10 8.1 from 10/1/2026

Same items, now in App. 20 ¶ A.1.k, plus App. 15 requires "all information contained in this Appendix" to be included with the package.

SOP 50 10 8.1, App. 15, ¶ D.1 and D.1.a, p. 362; App. 20, ¶ A.1.k, p. 392

PCA NOTE Nondelegated acquisition packages now also need the QoE (where required), category documentation and DSC calculations up front.

Lender

78 Cross references

CLARIFIED LOW IMPACT

Appendix 19 valuation pointer

SOP 50 10 8 through 9/30/2026

Appraisal and business valuation rules sat together in Sec. B, Ch. 1, ¶ C.3.e.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.e, pp. 139 to 144

SOP 50 10 8.1 from 10/1/2026

App. 19 ¶ A.1.e tells Lenders to comply with Appendix 15 valuation and appraisal rules "including any required independent valuation thresholds, special purpose property requirements, and lender verification." App. 15 contains only the verification rule. App. 15 also cross references "Paragraph A.1" for the Purchase Price though it is defined in ¶ A.2.

SOP 50 10 8.1, App. 19, ¶ A.1.e, p. 382; App. 15, ¶ A.2 and C.1.a.iv, pp. 342 and 351

PCA NOTE PCA flags these drafting gaps for lender counsel; SBA may issue a technical update. Until then, apply the stricter reading.

Lender

CHANGE LOG

Refinancing, Guaranty Amounts, Maturity, Interest Rates and Collateral

SOP 50 10 8.1 lifts the refinancing, guaranty, maturity, interest rate, collateral and submission rules out of Sec. B Ch. 1 and Ch. 2 and consolidates them into Appendices 14 and 16 to 20, with program exceptions at the end of each appendix. The biggest substantive shifts are that same institution debt can now be refinanced under PLP and SBA Express authority, seller notes need 36 months (not 24) of seasoning before refinancing, merchant cash advances can be refinanced once termed out and amortized for 24 months, and the 51% real estate maturity shortcut is replaced by a weighted average blend with a 10 year cap on everything but real estate in changes of ownership. Variable rate loans may now use SOFR or the 5 or 10 year Treasury as Alternative Base Rates, capped at Prime plus the size based spread (PN 5000-875051). Collateral rules are largely unchanged but condensed, with entity held personal real estate now counted as solely owned and several equipment valuation and appraisal details no longer restated outside Appendix 15. On submission, personal financial statements must be within 90 days, citizenship documentation reflects the 100% U.S. ownership rule, and a single document list now applies to Standard, Small and Express loans.

CLARIFIED 22 · UNCHANGED 20 · NEW 14 · MOVED 10 · LOOSENED 9 · TIGHTENED 8 · REMOVED 5

1 Debt refinancing

MOVED · MEDIUM IMPACT

Where the rules live now

SOP 50 10 8 through 9/30/2026

Debt refinancing rules were written out separately inside each program chapter: Standard 7(a) in Ch. 1 ¶ A.1, 7(a) Small and SBA Express in Ch. 2 ¶ A.1, with CAPLines, EWCP and IT refinancing in their own chapters.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1, pp. 113 to 117; SOP 50 10 8, Sec. B, Ch. 2, ¶ A.1, pp. 149 to 153

SOP 50 10 8.1 from 10/1/2026

All 7(a) refinancing rules are consolidated into new Appendix 14, with General Requirements in ¶ A and program exceptions in ¶ B. The chapters now carry one line pointers ("See Appendix 14: Debt Refinancing Para. B.1" for Standard; "Para. B.2" for Small and Express).

SOP 50 10 8.1, App. 14, ¶¶ A and B, pp. 335 to 341; Sec. B, Ch. 1, ¶ A.1, p. 117; Sec. B, Ch. 2, ¶ A.1, p. 125

PCA NOTE PCA recommends that lenders and advisors update refinance checklists to cite Appendix 14 rather than the old chapter paragraphs, since several substantive rules changed in the move.

Buyer · Lender · Broker   Source notice: 5000-880695

2 Debt refinancing

UNCHANGED MEDIUM IMPACT

Creditor in a position to sustain a loss; 12 month current test

SOP 50 10 8 through 9/30/2026

Proceeds may not pay a creditor in a position to sustain a loss (13 CFR 120.140(j)(1), 120.201). Debt must be current for the last 12 months or life of the loan if less; "current" means no payment unpaid more than 29 days, and a matured loan unpaid within 29 days is not eligible.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1, p. 113

SOP 50 10 8.1 from 10/1/2026

Same language carried into the General Requirements of Appendix 14, including the 12 month and 29 day tests.

SOP 50 10 8.1, App. 14, ¶ A, p. 335

PCA NOTE For buyers refinancing existing business debt, a single 30 day late payment in the prior year still disqualifies that debt, so pull payment histories before the term sheet.

Buyer · Lender

3 Debt refinancing

UNCHANGED LOW IMPACT

Eligible categories of debt

SOP 50 10 8 through 9/30/2026

Eligible debt includes demand or balloon notes; debt above the SBA maximum rate; business credit card debt with Applicant certification (lender may rely on it); over collateralized debt; revolving lines the lender will not renew or that are restructured for a lower rate or longer term; debt with an inappropriate maturity; balance sheet debt whose interest appears on tax returns; business HELOCs with certification; and another lender's non SBA debt meeting the 10% test.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.a.i to x, pp. 113 to 114; SOP 50 10 8, Sec. B, Ch. 2, ¶ A.1.a, pp. 149 to 151

SOP 50 10 8.1 from 10/1/2026

The same list appears in Appendix 14 ¶ A.1.a to j, with over collateralization now measured against "7(a) collateral requirements" in Appendix 19 rather than "Standard 7(a) collateral requirements." Credit card and HELOC certification reliance language is unchanged.

SOP 50 10 8.1, App. 14, ¶ A.1.a to j, pp. 335 to 336

PCA NOTE Credit card and HELOC refinancing still turns on a clean Applicant certification that the funds were used only for the business; lenders can rely on it at purchase review.

Buyer · Lender

4 Debt refinancing

TIGHTENED HIGH IMPACT

Seller note refinancing after a change of ownership

SOP 50 10 8 through 9/30/2026

A seller financed note from a prior change of ownership could be refinanced once it had been in place and current (not on standby) for at least 24 months, subject to the 10 percent payment improvement test.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.a.vii.a, p. 114; SOP 50 10 8, Sec. B, Ch. 2, ¶ A.1.a.vii.a, p. 150

SOP 50 10 8.1 from 10/1/2026

The seasoning period is now 36 months: seller debt "must have been in place and current (not on standby) for at least 36 months following the change of ownership," must meet the 10 percent improvement test, and "must not reduce the Lender's exposure." Appendix 14 and the equity section of Appendix 15 repeat the 36 month rule.

SOP 50 10 8.1, App. 15, ¶ A.3.a.i.a, p. 349; App. 14, ¶ A.1.g.ii, pp. 335 to 336; App. 15 equity (seller debt) ¶ ii)(b), p. 354

PCA NOTE For buyers planning to take out a seller note with a later SBA refinance, the wait is now three years, not two. PCA advises that seller notes be sized and priced assuming they stay in place for at least 36 months.

Buyer · Seller · Lender · Broker Source notice: 5000-880695

5 Debt refinancing

REMOVED MEDIUM IMPACT

Same lender seller debt and assumption language in change of ownership

SOP 50 10 8 through 9/30/2026

If the seller's existing debt was with the same Lender, the buyer's application could be processed under PLP authority regardless of whether the seller's loan was SBA guaranteed. Paying off debt in a change of ownership was not a refinance, and in a complete change of ownership the buyer should be offered the option to assume the existing SBA debt.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.a.vii.c and d, p. 114; SOP 50 10 8, Sec. B, Ch. 2, ¶ A.1.a.vii.c and d, p. 150

SOP 50 10 8.1 from 10/1/2026

These two statements are not carried into Appendix 14 or Appendix 15. Appendix 14 instead says SBA does not treat as same institution debt a payoff of the seller's loan in an "Initial Acquisition change of ownership."

SOP 50 10 8.1, App. 14, ¶ A.4.d.iii, p. 337; App. 15, ¶ A.3.a, p. 349

PCA NOTE PCA reads the removal of the assumption language as a drafting consolidation rather than a ban on assumptions, but buyers should no longer expect the SOP to require that an assumption be offered.

Buyer · Seller · Lender

6 Debt refinancing

LOOSENED HIGH IMPACT

Merchant cash advances and sales based repayment agreements

SOP 50 10 8 through 9/30/2026

"Merchant cash advances and factoring agreements are not eligible for refinancing."

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.b, p. 114; SOP 50 10 8, Sec. B, Ch. 2, ¶ A.1.b, p. 151

SOP 50 10 8.1 from 10/1/2026

Factoring agreements remain ineligible. Sales Based Repayment Agreements (e.g., merchant cash advances) become eligible only if the original agreement "has been converted to a term loan, has amortized for at least 24 months, and no additional Agreements have been implemented since the conversion." An active agreement is still ineligible.

SOP 50 10 8.1, App. 14, ¶ A.2 and A.3, p. 336

PCA NOTE Target companies carrying MCA debt now have a path to SBA refinancing, but only after the MCA has been termed out and paid for two years with no new advances. Buyers should not assume an MCA can be rolled into an acquisition loan.

Buyer · Lender · Broker Source notice: 5000-880695

7 Debt refinancing

LOOSENED HIGH IMPACT

Same Institution Debt (SID) under PLP

SOP 50 10 8 through 9/30/2026

"Refinancing of SID may not be processed under a Lender's PLP authority." The Lender had to submit the loan via E-Tran for non delegated processing with a 36 month payment transcript and written explanation of late payments.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.c and c.ii, pp. 114 to 115; SOP 50 10 8, Sec. B, Ch. 2, ¶ A.1.c, p. 151

SOP 50 10 8.1 from 10/1/2026

"Refinancing of SID may be processed under a Lender's PLP authority," provided all Appendix conditions are met, the Lender does not "use delegated authority to reduce the Lender's credit exposure to the Applicant" (13 CFR 120.452), and there is no appearance of shifting a loss to SBA.

SOP 50 10 8.1, App. 14, ¶ A.4 and A.4.a to b, p. 336

PCA NOTE This is one of the biggest practical changes in 8.1: a lender can now refinance its own conventional loan inside a PLP deal. PCA expects faster closings, but the lender still cannot use the refinance to cut its own exposure.

Lender · Buyer · Broker Source notice: 5000-880695

8 Debt refinancing

CLARIFIED MEDIUM IMPACT

SID transcript and late payment explanation

SOP 50 10 8 through 9/30/2026

The 36 month (or life of loan) payment transcript and the written explanation of any late payments in the last 36 months were submitted to SBA with the non delegated application.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.c.ii.a and b, p. 115

SOP 50 10 8.1 from 10/1/2026

The same 36 month transcript and late payment explanation are still required but go in the Lender's loan file ("The Lender must include the following in their loan file"). Late payment still means more than 29 days past due.

SOP 50 10 8.1, App. 14, ¶ A.4.c, p. 336

PCA NOTE PLP lenders refinancing their own debt should build the 36 month transcript into the credit file at approval, since SBA will look for it at purchase or in oversight reviews.

Lender

9 Debt refinancing

CLARIFIED LOW IMPACT

What is not treated as SID

SOP 50 10 8 through 9/30/2026

Not SID: an interim non construction loan approved within 90 days before the PLP loan number; an undisbursed construction loan; and a complete change of ownership where the seller's loan is paid off with the Borrower's loan.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.c.iii, p. 115

SOP 50 10 8.1 from 10/1/2026

Same three carve outs, with the change of ownership one now keyed to an "Initial Acquisition change of ownership," one of the four new change of ownership categories in Appendix 15.

SOP 50 10 8.1, App. 14, ¶ A.4.d, pp. 336 to 337

PCA NOTE Only an Initial Acquisition seller payoff is expressly outside SID; lenders should confirm which Appendix 15 category a deal falls into before relying on the carve out.

Lender · Buyer Source notice: 5000-880695

10 Debt refinancing

LOOSENED MEDIUM IMPACT

Refinancing the lender's own 7(a) loan

SOP 50 10 8 through 9/30/2026

A Lender could refinance its own 7(a) loan "only by submitting the loan via E-Tran to SBA for non delegated processing" and only if a secondary market investor would not agree to modified terms or an increase to the existing loan was not possible.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.c.iv, p. 115; SOP 50 10 8, Sec. B, Ch. 2, ¶ A.1.c.iv, p. 151

SOP 50 10 8.1 from 10/1/2026

A Lender "may refinance its own 7(a) loans via delegated processing" under the same two conditions.

SOP 50 10 8.1, App. 14, ¶ A.4.e, p. 337

PCA NOTE Borrowers whose existing SBA lender cannot modify a sold loan can now be refinanced by that lender without an LGPC submission.

Lender Source notice: 5000-880695

11 Debt refinancing

LOOSENED MEDIUM IMPACT

SID for SBA Express loans

SOP 50 10 8 through 9/30/2026

SBA Express loans could not be processed non delegated, so "refinance of same institution debt may not be processed as an SBA Express loan."

SOP 50 10 8, Sec. B, Ch. 2, ¶ D.1, p. 182

SOP 50 10 8.1 from 10/1/2026

The SID requirements "also applies to SBA Express Loans, including that a Lender may not use delegated authority to reduce the Lender's credit exposure to the Applicant (13 CFR 120.452)." SID refinancing is therefore available under Express.

SOP 50 10 8.1, App. 14, ¶ B.2.b, p. 339

PCA NOTE Express lenders can now clean up their own smaller conventional credits with an Express loan, subject to the same no exposure reduction rule.

Lender · Buyer Source notice: 5000-880695

12 Debt refinancing

UNCHANGED LOW IMPACT

Refinancing another lender's 7(a) loan

SOP 50 10 8 through 9/30/2026

Proceeds may refinance another Lender's 7(a) loan if all refinancing conditions are met; any applicable subsidy recoupment fees apply.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.d, p. 115

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, App. 14, ¶ A.5, p. 337

PCA NOTE Buyers moving an SBA loan to a new lender should still check the subsidy recoupment fee window on loans of 15 years or more.

Lender · Buyer

13 Debt refinancing

CLARIFIED MEDIUM IMPACT

Refinancing a 504 loan with a 7(a) loan

SOP 50 10 8 through 9/30/2026

A 504 loan could be refinanced with a 7(a) loan (delegated or non delegated) only if both the Third Party Loan and 504 loan were refinanced, or the TPL was paid off and the 504 refinance was part of a larger expansion or renovation. The justification had to be in the credit memorandum "and submitted to the LGPC with the application." 504 prepayment penalties apply and the 7(a) lender may not refinance only the TPL.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.e, p. 115; SOP 50 10 8, Sec. B, Ch. 2, ¶ A.1.e, pp. 151 to 152

SOP 50 10 8.1 from 10/1/2026

Same two conditions, prepayment penalty note, and bar on refinancing only the TPL. The sentence requiring the justification to be in the credit memorandum and sent to the LGPC is dropped.

SOP 50 10 8.1, App. 14, ¶ A.6, p. 337

PCA NOTE For owners with an existing 504 on their building, a 7(a) takeout still requires refinancing the whole 504 structure; the 504 debenture prepayment premium can make this uneconomic in early years.

Lender · CDC · Buyer

14 Debt refinancing

CLARIFIED HIGH IMPACT

Ten percent payment improvement test

SOP 50 10 8 through 9/30/2026

The new installment must be at least 10 percent less than the existing installment amount(s); other debt refinanced at the same time may be included; for escalating payments, compare to the expected installment in the next 12 months. Exempt: demand or balloon debt, business credit cards and HELOCs, and revolving lines the lender will not renew or that are restructured for rate or term.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.f, pp. 115 to 116; SOP 50 10 8, Sec. B, Ch. 2, ¶ A.1.f, p. 152

SOP 50 10 8.1 from 10/1/2026

Same test and exemptions, but the comparison is expressly "in aggregate": the new installment must be at least 10 percent less than the existing installment amounts "in aggregate," and other debt refinanced "in the aggregate" may be included.

SOP 50 10 8.1, App. 14, ¶ A.7, p. 337

PCA NOTE PCA reads "in aggregate" as confirming that lenders can blend all refinanced debts into one 10 percent test rather than testing debt by debt.

Buyer · Lender

15 Debt refinancing

LOOSENED MEDIUM IMPACT

Written refinancing analysis

SOP 50 10 8 through 9/30/2026

The application had to include a written analysis covering seven points, including "(d) The factor(s) that support that the debt being refinanced is not currently on reasonable terms."

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.g.i, p. 116

SOP 50 10 8.1 from 10/1/2026

The written analysis now has six points; the "not currently on reasonable terms" factor is dropped. Still required: reason the debt was incurred, no loss to creditor, reason for restructuring, how the new loan improves the Applicant, itemization of creditors paid $10,000 or more (or existing SBA loan number and amount), and why the debt no longer meets the Applicant's needs.

SOP 50 10 8.1, App. 14, ¶ A.8.a, pp. 337 to 338

PCA NOTE Lenders no longer have to argue that existing debt is on unreasonable terms, which helps refinances of debt that is merely short or inflexible rather than expensive.

Lender

16 Debt refinancing

LOOSENED · LOW IMPACT

7(a) Small and SBA Express documentation

SOP 50 10 8 through 9/30/2026

For 7(a) Small loans only, the full written refinancing analysis was required; SBA Express needed only supporting documentation for each debt.

SOP 50 10 8, Sec. B, Ch. 2, ¶ A.1.g.i and ii, pp. 152 to 153

SOP 50 10 8.1 from 10/1/2026

For both 7(a) Small and SBA Express, "A written credit memorandum is not required; however, supporting documentation for the debt being refinanced must be retained."

SOP 50 10 8.1, App. 14, ¶ B.2.a, p. 339

PCA NOTE 7(a) Small lenders get the same lighter refinancing file as Express, but notes, security agreements and statements for each refinanced debt must still be kept.

Lender

17 Debt refinancing

UNCHANGED · LOW IMPACT

Supporting documents and Terms and Conditions itemization

SOP 50 10 8 through 9/30/2026

Lenders retain copies of notes, security agreements, leases and the latest credit card statement, and send them to the LGPC for non delegated loans. E-Tran Terms and Conditions must identify the refinancing, itemize creditors paid $10,000 or more, and list any SBA loan number and amount being refinanced.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.g.ii and h, p. 116

SOP 50 10 8.1 from 10/1/2026

Same, with "SBA Terms and Conditions" replacing E-Tran Terms and Conditions.

SOP 50 10 8.1, App. 14, ¶ A.8.b and A.9, p. 338

PCA NOTE No change in practice beyond terminology.

Lender

18 Debt refinancing

NEW · MEDIUM IMPACT

Debt originally incurred for an ineligible purpose

SOP 50 10 8 through 9/30/2026

No express rule on refinancing debt that was originally incurred for an ineligible purpose.

Not addressed

SOP 50 10 8.1 from 10/1/2026

"SBA guaranteed loan proceeds may not be used to refinance debt originally incurred for an ineligible SBA purpose at the time it was originally made unless the condition causing the ineligibility no longer exists."

SOP 50 10 8.1, App. 14, ¶ A.10.a, p. 338

PCA NOTE Lenders should trace the original use of every refinanced loan, for example debt that once funded passive real estate or a distribution to owners.

Buyer · Lender   Source notice: 5000-880695

19 Debt refinancing

UNCHANGED LOW IMPACT

SBIC debt, trade payables, interim advances

SOP 50 10 8 through 9/30/2026

A 7(a) loan may not refinance debt owed to an SBIC or New Markets Venture Capital Company; paying trade payables is not refinancing; interim (bridge) advances made after the loan number may be reimbursed without notifying SBA.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.i and j, p. 117

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, App. 14, ¶ A.10.b to c and A.11, p. 338

PCA NOTE Bridge funding by the lender after the SBA loan number issues remains a clean way to close time sensitive purchases.

Lender

20 Debt refinancing

NEW MEDIUM IMPACT

MARC loans

SOP 50 10 8 through 9/30/2026

No MARC program existed in the base SOP.

Not addressed

SOP 50 10 8.1 from 10/1/2026

For MARC loans, "The only debt eligible to be refinanced with MARC loan proceeds is debt in which the original purpose of the debt to be refinanced was for working capital purposes."

SOP 50 10 8.1, App. 14, ¶ B.3, p. 339

PCA NOTE Manufacturers cannot use a MARC line to take out equipment or real estate debt; that stays with a term 7(a) or 504.

Lender · Buyer Source notice: 5000-870260

21 Debt refinancing

MOVED LOW IMPACT

CAPLines, EWCP and IT refinancing

SOP 50 10 8 through 9/30/2026

Working Capital CAPLine refinancing of short term revolving debt (terminate old line, borrowing base support, 90 day default presumption) and a rule that same institution debt must be non delegated sat in the CAPLines chapter; EWCP and IT refinancing rules sat in the export chapter.

SOP 50 10 8, Sec. B, Ch. 3, ¶ A.1.b.iii, pp. 189 to 190; Sec. B, Ch. 4

SOP 50 10 8.1 from 10/1/2026

Consolidated into Appendix 14 ¶ B.4 to B.8. The CAPLine exceptions no longer restate the old sentence that CAPLine SID must be processed non delegated; the general PLP rule for SID now governs. Contract, Seasonal and Builders CAPLines still may not refinance debt.

SOP 50 10 8.1, App. 14, ¶ B.4 to B.8, pp. 339 to 341

PCA NOTE Lenders using CAPLines to replace a same bank line should confirm with SBA how the 90 day default presumption interacts with the new delegated SID rule.

Lender Source notice: 5000-880695

22 Debt refinancing

UNCHANGED MEDIUM IMPACT

Collateral on refinanced debt

SOP 50 10 8 through 9/30/2026

When proceeds refinance debt (except trading assets), the loan must be secured with at least the same collateral and lien priority; excess collateral on over collateralized debt may be released if the SBA loan stays fully secured; comparable substitute collateral may be accepted.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.b, p. 136

SOP 50 10 8.1 from 10/1/2026

Same rule in Appendix 19 General Requirements, repeated for 7(a) Small in ¶ B.2.c.iii and for change of ownership debt in Appendix 15.

SOP 50 10 8.1, App. 19, ¶ A.1.b, p. 381; App. 15, ¶ C.3.b, p. 359

PCA NOTE Borrowers should expect the new lender to step into the old lender's lien position at minimum.

Lender · Buyer

23 Debt refinancing

CLARIFIED LOW IMPACT

Drafting issues in Appendix 14

SOP 50 10 8 through 9/30/2026

Cross references pointed to paragraphs within the same chapter.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1, pp. 113 to 117

SOP 50 10 8.1 from 10/1/2026

Appendix 14 carries stale references: ¶ A.1.j refers to the 10 percent test in "Paragraph f. below" (now ¶ A.7), and ¶ B.2.b refers to "paragraph d. Refinancing Same Institution Debt" (now ¶ A.4).

SOP 50 10 8.1, App. 14, ¶ A.1.j, p. 336 and ¶ B.2.b, p. 339

PCA NOTE PCA flags these so readers are not sent to the wrong paragraph; the substance is in ¶ A.7 and ¶ A.4.

Lender

24 504 debt refinancing overlap

TIGHTENED MEDIUM IMPACT

Qualified Debt seasoning

SOP 50 10 8 through 9/30/2026

For 504 Debt Refinance without Expansion, Qualified Debt must have been "incurred not less than 6 months prior to the date of application."

SOP 50 10 8, Sec. C, Ch. 1, ¶ C.10.a.i.b, p. 338

SOP 50 10 8.1 from 10/1/2026

Qualified Debt must have been "fully disbursed not less than 6 months prior to the date of application."

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ C.10.a.i.b, p. 208

PCA NOTE Construction or draw loans now season from the final draw, not from the note date, before a 504 refinance.

CDC · Buyer · Lender   Source notice: 5000-880695

25 504 debt refinancing overlap

CLARIFIED LOW IMPACT

Notice to existing lender and substantial benefit

SOP 50 10 8 through 9/30/2026

When refinancing a federally guaranteed loan, the CDC had to notify the existing CDC or 7(a) lender at least 10 business days ahead. Substantial benefit meant the new installment attributable to the refinanced debt must be less than the existing installment, counting prepayment penalties and financing costs.

SOP 50 10 8, Sec. C, Ch. 1, ¶ C.10.a.i.e, p. 338; ¶ C.11, p. 346

SOP 50 10 8.1 from 10/1/2026

Same, and "The notification must be included in the loan submission." The substantial benefit definitions for refinance with and without expansion are unchanged.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ C.10.a.i.e, p. 208; ¶ C.11, p. 216

PCA NOTE Note the difference: 7(a) refinancing needs a 10 percent payment reduction, while 504 needs only a lower payment (substantial benefit). For real estate heavy refinances, 504 can clear deals the 7(a) test cannot.

CDC · Lender

26 504 debt refinancing overlap

TIGHTENED LOW IMPACT

Job ratio used in refinance sizing

SOP 50 10 8 through 9/30/2026

Worked example used 1 job per $90,000 (47.5 employees x $90,000 = $4,275,000).

SOP 50 10 8, Sec. C, Ch. 1, ¶ C.10, p. 340

SOP 50 10 8.1 from 10/1/2026

Example updated to $95,000 per job (47.5 x $95,000 = $4,512,500), reflecting the October 1, 2025 job ratio increase.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ C.10, p. 210

PCA NOTE The higher ratio slightly increases the maximum 504 refinance amount a given headcount can support.

CDC Source notice: 90 FR 47117

27 504 debt refinancing overlap

NEW LOW IMPACT

Refinance balance changes before closing

SOP 50 10 8 through 9/30/2026

No guidance on refinanced balances declining between approval and closing.

SOP 50 10 8, Sec. C, Ch. 2, ¶ C.5.a.i.e, p. 383

SOP 50 10 8.1 from 10/1/2026

The approved refinance amount may fall because of intervening Borrower payments; the CDC documents the change and gives it to District Counsel with the closing package, and no 327 modification is needed to reduce the refinance amount.

SOP 50 10 8.1, Sec. C, Ch. 2, ¶ C.5.a.i.e, p. 256

PCA NOTE This removes a routine 327 action for CDCs when the payoff comes in lower than approved.

CDC Source notice: 5000-872764

28 Maximum guaranty

MOVED LOW IMPACT

Consolidation into Appendix 16

SOP 50 10 8 through 9/30/2026

Guaranty maximums were set out in each chapter: Standard 7(a) in Ch. 1 ¶ B.2 and 7(a) Small and SBA Express in Ch. 2 ¶ B.2.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.2, pp. 121 to 122; SOP 50 10 8, Sec. B, Ch. 2, ¶ B.2, p. 158

SOP 50 10 8.1 from 10/1/2026

Appendix 16 holds General Requirements (¶ A) and program specific maximums (¶ B) for Standard, Small, Express, MARC, CAPLines, Export Express, EWCP and IT. Chapters point to ¶ B.1 (Standard) and ¶ B.2 (Small and Express).

SOP 50 10 8.1, App. 16, pp. 364 to 366; Sec. B, Ch. 1, ¶ B.2, p. 117; Sec. B, Ch. 2, ¶ B.2, p. 126

PCA NOTE No change to the headline numbers; update citations only.

Lender · Buyer Source notice: 5000-880695

29 Maximum guaranty

UNCHANGED HIGH IMPACT

$3,750,000 cap and 85/75 percent guaranty

SOP 50 10 8 through 9/30/2026

SBA guaranty outstanding to one business and its affiliates may not exceed $3,750,000; an EPC and OC are one business. Guaranty is 85% for loans of $150,000 or less and 75% above $150,000. The old text cited "13 CFR 121.151."

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.2.a and b, pp. 121 to 122

SOP 50 10 8.1 from 10/1/2026

Same $3,750,000 cap and 85%/75% split; citation corrected to 13 CFR 120.151. Maximum Standard 7(a) loan remains $5,000,000.

SOP 50 10 8.1, App. 16, ¶ A.1.a and b, p. 364; Sec. B, Ch. 1, ¶ B.1.a, p. 117

PCA NOTE For acquisition financing, the $3.75 million guaranty cap still sets the practical ceiling of a $5 million 7(a) loan per borrower group.

Buyer · Lender · Broker

30 Maximum guaranty

CLARIFIED LOW IMPACT

Counting existing loans for 7(a) Small and Express

SOP 50 10 8 through 9/30/2026

For 7(a) Small and SBA Express, the lender had to include "the approved loan amount for a revolving line of credit" when calculating the guaranty available.

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.2.a, p. 158

SOP 50 10 8.1 from 10/1/2026

The single General Requirement applies to all programs: include "the approved loan amount and any existing 7(a) or 504 loans, including revolving lines of credit." Small and Express guaranties still count toward the $3,750,000 limit; Small is 85%/75% and Express is 50%.

SOP 50 10 8.1, App. 16, ¶ A.1 and B.2, pp. 364 to 365

PCA NOTE Lenders doing a small follow on loan must now expressly net any existing 7(a) and 504 exposure, not just open lines.

Lender

31 Maximum guaranty

CLARIFIED LOW IMPACT

Multiple 7(a) loans within 90 days

SOP 50 10 8 through 9/30/2026

For multiple 7(a) loans approved within 90 days, gross amounts are combined, and if over $150,000 the combined guaranty is capped at 75% (worked example: $140,000 at 85% plus $50,000 means the second loan gets 47%). This appeared only in the Standard 7(a) chapter.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.2.d, p. 122

SOP 50 10 8.1 from 10/1/2026

Same rule and example, now a General Requirement applying to all 7(a) programs.

SOP 50 10 8.1, App. 16, ¶ A.1.d, p. 364

PCA NOTE Splitting a deal into a small loan and a follow on within 90 days still does not preserve the 85% guaranty.

Lender · Buyer

32 Maximum guaranty

CLARIFIED MEDIUM IMPACT

Combination of 7(a) and 504 loans

SOP 50 10 8 through 9/30/2026

When an Applicant uses both, approval order determines the maximums; "Because the 7(a) loan has a lower maximum guaranteed amount, the 7(a) loan should be processed and approved first," and the lender must tell the processing center there is a companion 504.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.2.c, p. 122

SOP 50 10 8.1 from 10/1/2026

Same sequencing, but the reason is now "Due to statutory requirements." Separately, SBA confirmed that an outstanding 7(a) balance does not reduce the separate 504 debenture limit.

SOP 50 10 8.1, App. 16, ¶ A.1.c, p. 364

PCA NOTE PCA sees this as confirming the combined 7(a) first, 504 second structure, which the market describes as roughly $10 million of combined SBA financing for a buyer with real estate.

Lender · CDC · Buyer Source notice: 5000-879058

33 Maximum guaranty

UNCHANGED LOW IMPACT

Zero percent guaranty prohibited

SOP 50 10 8 through 9/30/2026

A 7(a) loan cannot include proceeds for an ineligible purpose or to an ineligible business, and no part may be guaranteed at zero percent.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.2.e, p. 122

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, App. 16, ¶ A.1.e, pp. 364 to 365

PCA NOTE An ineligible use cannot be carved into an unguaranteed tranche of the same 7(a) loan.

Lender

34 Maximum guaranty

NEW | MEDIUM IMPACT

MARC loans

SOP 50 10 8 through 9/30/2026

No MARC program.

Not addressed

SOP 50 10 8.1 from 10/1/2026

MARC: for manufacturers (NAICS 31 to 33), loans up to $5,000,000 with a $3,750,000 maximum guaranty; for all other eligible industries, loans up to $2,000,000 with a $1,500,000 maximum guaranty; 85% for $150,000 or less and 75% above.

SOP 50 10 8.1, App. 16, ¶ B.3, p. 365

PCA NOTE Appendix 16 describes non manufacturer MARC loans up to $2 million; PCA recommends confirming eligibility with the lender, since the MARC notice framed the product for manufacturers.

Lender · Buyer   Source notice: 5000-870260

35 Maximum guaranty

MOVED | LOW IMPACT

Export Express, EWCP and IT

SOP 50 10 8 through 9/30/2026

Export program guaranty rules sat in Sec. B, Ch. 4.

SOP 50 10 8, Sec. B, Ch. 4

SOP 50 10 8.1 from 10/1/2026

Export Express 90% up to $350,000 and 75% over $350,000 up to $500,000, with a 90 day combination rule; EWCP and IT maximum guaranty $4,500,000 at 90%.

SOP 50 10 8.1, App. 16, ¶ B.5 and B.6, pp. 365 to 366

PCA NOTE Relevant to acquisitions of exporters or manufacturers hurt by imports, where IT eligibility was widened by Policy Notices 5000-877629 and 5000-881477.

Lender

36 Loan maturity

MOVED | LOW IMPACT

Consolidation into Appendix 17

SOP 50 10 8 through 9/30/2026

Maturity rules sat in Ch. 1 ¶ B.3 and Ch. 2 ¶ B.3.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.3, pp. 122 to 123; SOP 50 10 8, Sec. B, Ch. 2, ¶ B.3, pp. 158 to 160

SOP 50 10 8.1 from 10/1/2026

Appendix 17 holds General Requirements (¶ A) and program specific terms (¶ B). Chapters point to ¶ B.1 (Standard) and ¶ B.2 to B.3 (Small and Express).

SOP 50 10 8.1, App. 17, pp. 367 to 371

PCA NOTE Update citations.

Lender · Buyer   Source notice: 5000-880695

37 Loan maturity

UNCHANGED HIGH IMPACT

Maximum terms by use of proceeds

SOP 50 10 8 through 9/30/2026

Shortest appropriate term. Working capital, inventory and intangibles (including goodwill): 10 years. Equipment, fixtures and furniture: generally 10 years, up to 15 if IRS useful life supports it, plus up to 12 months for installation. Real estate: 25 years plus a reasonable construction period. Leasehold improvements: 10 years plus up to 12 months. Farm land 51% or more: 20 years; farm equipment 51% or more: useful life up to 15 years plus 12 months.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.3.a to d and f, pp. 122 to 123

SOP 50 10 8.1 from 10/1/2026

Same limits carried into the General Requirements.

SOP 50 10 8.1, App. 17, ¶ A.1 to A.4 and A.6, p. 367

PCA NOTE Goodwill heavy acquisitions remain capped at 10 years; the 25 year term is only for the real estate piece.

Buyer · Lender

38 Loan maturity

REMOVED HIGH IMPACT

Mixed purpose loans and the 51% real estate shortcut

SOP 50 10 8 through 9/30/2026

For changes of ownership and mixed purpose loans (real estate, working capital, equipment, or refinancing of these), "the maturity may be a blended maturity or, if 51% or more of the use of the 7(a) loan's proceeds are for real estate, the maximum maturity may be up to 25 years."

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.3.e, p. 123; SOP 50 10 8, Sec. B, Ch. 2, ¶ B.3.a.i.e, p. 159

SOP 50 10 8.1 from 10/1/2026

The 51% shortcut is gone. Appendix 17 ¶ A.5 now just says "See Appendix 15," and Appendix 15 requires change of ownership loans that include real estate to be either separate loans or "Blended on a weighted average basis, rounded to the nearest full year."

SOP 50 10 8.1, App. 17, ¶ A.5, p. 367; App. 15, ¶ B.1.a.i, pp. 349 to 350

PCA NOTE This is a major change for buyers acquiring a business with its building: a 60/40 real estate to goodwill deal can no longer run 25 years on the whole loan. Expect a blended term somewhere between 10 and 25 years, and higher payments than 8.0 deals.

Buyer · Lender · Broker · Seller Source notice: 5000-880695

39 Loan maturity

NEW HIGH IMPACT

Weighted average blending for change of ownership with real estate

SOP 50 10 8 through 9/30/2026

Blended maturity allowed but no method prescribed.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.3.e, p. 123

SOP 50 10 8.1 from 10/1/2026

"Only the portion of the real estate purchase may have an amortization that exceeds 10 years, up to a maximum of a 25 year term. All other uses of proceeds, including those related to soft costs and working capital, must be allocated a 10 year term. This calculation must be made before the application of any equity and clearly stated in the credit memorandum. The SBA 504 program is not eligible for use on a blended basis."

SOP 50 10 8.1, App. 15, ¶ B.1.a.i.b, p. 350

PCA NOTE Example: $3 million of real estate and $2 million of goodwill and other costs blends to about 19 years (0.6 x 25 + 0.4 × 10). Buyers should model DSCR on the blended term, not 25 years, and the math is done on gross uses before equity.

Buyer · Lender · Broker Source notice: 5000-880695

40 Loan maturity

NEW HIGH IMPACT

Change of ownership amortization cap

SOP 50 10 8 through 9/30/2026

Change of ownership loans could use a blended maturity, the 51% real estate rule, or for stock purchases a maturity "based on the underlying assets/interest financed ... as supported by a business valuation/appraisal."

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.3.e, p. 123

SOP 50 10 8.1 from 10/1/2026

"7(a) loans that facilitate a change of ownership must not have an amortization that exceeds 10 years," except the real estate portion under the blended method or a separate real estate loan (7(a) or 504). The stock purchase underlying asset basis is not carried forward. Working asset portions may be funded on a line of credit per Appendix 15.

SOP 50 10 8.1, App. 15, ¶ B.1.a and B.1.a.ii, p. 350

PCA NOTE Stock purchases can no longer stretch term by pointing to long lived assets in the target; plan on 10 years for everything except owned real estate.

Buyer · Lender · Seller Source notice: 5000-880695

41 Loan maturity

CLARIFIED · MEDIUM IMPACT

Mixed purpose loans that are not changes of ownership

SOP 50 10 8 through 9/30/2026

Blended maturity or the 51% real estate rule applied to any mixed purpose loan, whether or not a change of ownership.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.3.e, p. 123

SOP 50 10 8.1 from 10/1/2026

Appendix 17 ¶ A.5 refers mixed purpose loans to Appendix 15, but Appendix 15 addresses only changes of ownership. No separate method is stated for, say, an expansion loan combining real estate, equipment and working capital.

SOP 50 10 8.1, App. 17, ¶ A.5, p. 367

PCA NOTE PCA expects lenders to apply the weighted average method by analogy for non acquisition mixed purpose loans; confirm the lender's approach early.

Lender · Buyer

42 Loan maturity

LOOSENED · MEDIUM IMPACT

SBA Express lines of credit

SOP 50 10 8 through 9/30/2026

Express lines max 10 years including term out; lines over 12 months need a term out at least as long as the draw period, "with no draws permitted during the term out period," and no advances after 60 months.

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.3.a.ii, p. 160

SOP 50 10 8.1 from 10/1/2026

Same limits, reworded "Once the loan is amortized, no additional draws are permitted." New: lenders may reissue a new Express loan before amortizing payments begin, either to retain the revolving period (Option 1, with line utilization justified in the credit memo) or to term out the line over up to 10 years with no revolving period (Option 2, Extended Amortization).

SOP 50 10 8.1, App. 17, ¶ B.3.a, pp. 367 to 368; Sec. B, Ch. 2, ¶ B.3.b, p. 126

PCA NOTE Owners using an Express line alongside an acquisition loan get more room to keep the line revolving or to term it out without a new program. Note the Ch. 2 pointer mistakenly cites "Appendix 19 Para. B.3" for Express lines; the rule is in Appendix 17.

Lender · Buyer Source notice: 5000-880695

43 Loan maturity

NEW · LOW IMPACT

MARC revolving loans

SOP 50 10 8 through 9/30/2026

No MARC program.

Not addressed

SOP 50 10 8.1 from 10/1/2026

Revolving MARC loans: maximum 20 year maturity, up to 10 years revolving then conversion to full amortization over up to 10 more years; term out at least as long as the draw period; not subject to the subsidy recoupment fee.

SOP 50 10 8.1, App. 17, ¶ B.4, p. 368

PCA NOTE Useful for manufacturer acquisitions needing a long revolving working capital facility beside the term loan.

Lender Source notice: 5000-870260

44 Loan maturity

MOVED LOW IMPACT

CAPLines, Export Express and EWCP

SOP 50 10 8 through 9/30/2026

Program maturity rules sat in the CAPLines and export chapters.

SOP 50 10 8, Sec. B, Ch. 3 and Ch. 4

SOP 50 10 8.1 from 10/1/2026

Consolidated: Working Capital, Contract and Seasonal CAPLines 10 years (renewable to 120 months revolving); Builders CAPLines 60 months plus construction; Export Express lines 7 years; EWCP 36 months.

SOP 50 10 8.1, App. 17, ¶ B.5 to B.8, pp. 368 to 371

PCA NOTE Citation update only.

Lender

45 Loan maturity

NEW MEDIUM IMPACT

Subsidy recoupment fee and maturity extensions

SOP 50 10 8 through 9/30/2026

For loans of 15 years or more, a voluntary prepayment over 25% in any of the first 3 years triggers a fee of 5%, 3% and 1% of the prepayment.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.3, pp. 67 to 68

SOP 50 10 8.1 from 10/1/2026

Same fee, plus: it "would also apply to any loan originally made with a maturity of less than 15 years, when the maturity is extended to 15 years or more during the first 36 months," and prepayments made before the extension are subject to it.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.3, p. 70

PCA NOTE Buyers who expect to sell or refinance within three years should keep this fee in mind if a blended term reaches 15 years.

Buyer · Lender

46 Interest rates

MOVED LOW IMPACT

Consolidation into Appendix 18

SOP 50 10 8 through 9/30/2026

Interest rate rules were repeated in Ch. 1 ¶ B.4 and Ch. 2 ¶ B.5 (plus CAPLines and export chapters).

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.4, pp. 123 to 129; SOP 50 10 8, Sec. B, Ch. 2, ¶ B.5, pp. 160 to 167

SOP 50 10 8.1 from 10/1/2026

Appendix 18 holds General Requirements (¶ A) and program exceptions (¶ B). The chapters keep the Quick Reference Chart and point to ¶ B.1 (Standard) and ¶ B.2 to B.3 (Small and Express).

SOP 50 10 8.1, App. 18, pp. 372 to 380; Sec. B, Ch. 1, ¶ B.4, p. 117; Sec. B, Ch. 2, ¶ B.5, pp. 126 to 127

PCA NOTE Citation update; substantive changes are listed separately below.

Lender Source notice: 5000-880695

47 Interest rates

UNCHANGED · HIGH IMPACT

Maximum spreads by loan size

SOP 50 10 8 through 9/30/2026

Maximum variable rate: base plus 6.5% for loans of $50,000 or less; plus 6.0% for $50,001 to $250,000; plus 4.5% for $250,001 to $350,000; plus 3.0% above $350,000. Maximum fixed rates are published on the FTA Wiki and may be used only if fixed for the full term.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.4 chart and ¶ B.4.a.ii and b.ii, pp. 123 to 125

SOP 50 10 8.1 from 10/1/2026

Same spreads and fixed rate policy.

SOP 50 10 8.1, App. 18, ¶ A.1.b and A.2.c, pp. 372 to 374; Sec. B, Ch. 1, ¶ B.4 chart, p. 117

PCA NOTE For a typical acquisition loan above $350,000 the ceiling is still Prime plus 3.0% on a variable rate.

Buyer · Lender · Broker

48 Interest rates

NEW · HIGH IMPACT

Alternative base rates: SOFR and Treasury

SOP 50 10 8 through 9/30/2026

Only two base rates were allowed for variable rate loans: the Prime Rate or the SBA Optional Peg Rate.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.4.a.v.a and b.i, pp. 124 to 125

SOP 50 10 8.1 from 10/1/2026

In addition to Prime and the Peg Rate, a variable rate loan "may utilize an Alternative Base Rate": SOFR, the 5 year Treasury Note Rate, or the 10 year Treasury Note Rate. The E-Tran and Note terms must identify the "Base Rate or Alternative Base Rate."

SOP 50 10 8.1, App. 18, ¶ A.1.e and A.2.b, pp. 372 to 374

PCA NOTE Lenders can now price SBA loans off Treasury or SOFR curves like their conventional books. Buyers should compare a 5 or 10 year Treasury based rate that resets rarely against a Prime based quarterly reset.

Lender · Buyer · Broker Source notice: 5000-875051; 91 FR 5805

49 Interest rates

NEW · HIGH IMPACT

Cap on Alternative Base Rate loans

SOP 50 10 8 through 9/30/2026

Not addressed; only Prime or Peg plus the allowed spread.

Not addressed

SOP 50 10 8.1 from 10/1/2026

"When using an Alternative Base Rate, the maximum interest rate (Alternative Base Rate plus spread) is determined by the loan amount with a cap based on the Prime interest rate": Prime plus 6.5%, 6.0%, 4.5% or 3.0% by the same size tiers.

SOP 50 10 8.1, App. 18, ¶ A.2.d, p. 374

PCA NOTE The all in rate on a SOFR or Treasury loan still cannot exceed the Prime based ceiling, so lenders can use a wider spread over a lower index but not charge more in total.

Lender · Buyer Source notice: 5000-875051

50 Interest rates

NEW MEDIUM IMPACT

How SOFR and Treasury rates are set

SOP 50 10 8 through 9/30/2026

Only Prime publication rules (first business day, national newspaper or website) and Peg Rate publication in the Federal Register.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.4.a.v.a.ii, pp. 124 to 125

SOP 50 10 8.1 from 10/1/2026

SOFR is the daily rate for the first business day of the month from the Federal Reserve Bank of New York; lenders may use in house SOFR references of 30 days or less (e.g., 30 day term SOFR or 30 day average SOFR). Treasury rates use the Federal Reserve Selected Interest Rates, Treasury constant maturities, "reported for the final business day of the prior month." Notes must name the publication, and all allowed rates are also published on SBA's website.

SOP 50 10 8.1, App. 18, ¶ A.1.e.ii.d and e and A.3.d.ii.b, pp. 373 and 376

PCA NOTE Borrowers should read the Note carefully: a Treasury based loan resets off the prior month's last business day, not the first of the month.

Lender   Source notice: 5000-875051

51 Interest rates

NEW MEDIUM IMPACT

Spread must be the same at each adjustment

SOP 50 10 8 through 9/30/2026

The Lender designated the spread to be added at each adjustment date; the spread could not change without Borrower written agreement.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.4.b.iii and a.iii, pp. 124 to 125

SOP 50 10 8.1 from 10/1/2026

Adds: "The same spread must be used for all adjustments." The Borrower consent rule for spread changes remains.

SOP 50 10 8.1, App. 18, ¶ A.2.e and A.1.c, pp. 372 and 374

PCA NOTE Step up or step down spreads keyed to adjustments are out, except the Note may still show spread changes such as in a construction loan.

Lender · Buyer

52 Interest rates

CLARIFIED MEDIUM IMPACT

Maximum rate on later adjustments

SOP 50 10 8 through 9/30/2026

"SBA's maximum allowable interest rate applies only to the initial Note rate on a variable rate loan. Subsequent changes in the base rate are not subject to the maximum rate at the time of loan application; however, the maximum spread over the base cannot exceed SBA's stated maximum."

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.4.c.i, p. 125

SOP 50 10 8.1 from 10/1/2026

The maximum "applies both to the initial Note rate on a variable rate loan and to the combined rate that is obtained by adding the spread to either the base rate or Alternative Base Rate," and "The spread applied to adjustments must be less than or equal to the maximum allowed by SBA at the time of origination." (The EWCP section still repeats the old "initial Note rate only" wording.)

SOP 50 10 8.1, App. 18, ¶ A.3.a, p. 374; ¶ B.7.b.i.a, p. 380

PCA NOTE PCA reads this as tying every reset to the maximum spread, which matters most for Alternative Base Rate loans capped at Prime plus spread; lenders should confirm how SBA expects a reset to be tested if Treasury or SOFR rises faster than Prime.

Lender · Buyer Source notice: 5000-875051

53 Interest rates

CLARIFIED LOW IMPACT

Pre and post disbursement rate changes

SOP 50 10 8 through 9/30/2026

Before first disbursement the lender may change base, spread, or switch fixed and variable if within the maximum at application, with separate Borrower written consent. After disbursement, base or spread may change only by a method permitted at approval, with Borrower written agreement and notice to the CLSC.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.4.c.ii, pp. 125 to 126

SOP 50 10 8.1 from 10/1/2026

Same, extended to switching to or from an Alternative Base Rate, and changes may be made through E-Tran Servicing "or successor SBA Loan System."

SOP 50 10 8.1, App. 18, ¶ A.3.b, pp. 374 to 375

PCA NOTE A borrower approved on Prime can still ask to move to a fixed or Treasury based rate before funding if the new rate fits under the cap.

Lender · Buyer Source notice: 5000-875051

54 Interest rates

UNCHANGED · LOW IMPACT

Adjustment frequency, notes, floors and ceilings, accrual, amortization

SOP 50 10 8 through 9/30/2026

First adjustment may be the first of the month after disbursement or delayed (e.g., 5 years fixed then floating); later adjustments no more often than monthly; Note must state base, publication, spread, initial rate, first adjustment and frequency; floor must be at least as far below the Note rate as the ceiling is above; secondary market loans use 30/360 or Actual/365; no balloons.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.4.c.iii to vii, pp. 126 to 128

SOP 50 10 8.1 from 10/1/2026

Same, applied to base or Alternative Base Rates.

SOP 50 10 8.1, App. 18, ¶ A.3.c to g, pp. 375 to 376

PCA NOTE The 5 year fixed then floating structure common in acquisition loans is still expressly allowed.

Lender

55 Interest rates

UNCHANGED · LOW IMPACT

Fixed and variable combinations and swaps

SOP 50 10 8 through 9/30/2026

Lender may fix one portion and float the other (entire loan treated as variable). Swap contracts allowed on stated conditions, including the required SBA disclaimer and subordination of swap default fees.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.4.d and e, pp. 128 to 129

SOP 50 10 8.1 from 10/1/2026

Same, with swap default interest computed on the base or Alternative Base Rate.

SOP 50 10 8.1, App. 18, ¶ A.4 and A.5, pp. 377 to 378

PCA NOTE No change.

Lender · Buyer

56 Interest rates

UNCHANGED · LOW IMPACT

Default interest rates

SOP 50 10 8 through 9/30/2026

Default interest rates are not permitted (Standard and 7(a) Small).

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.4.a.iv, p. 124

SOP 50 10 8.1 from 10/1/2026

Still not permitted as a General Requirement and for 7(a) Small.

SOP 50 10 8.1, App. 18, ¶ A.1.d and B.2.a, pp. 372 and 378

PCA NOTE No change for Standard or Small loans.

Lender

57 Interest rates

LOOSENED LOW IMPACT

SBA Express default interest rate

SOP 50 10 8 through 9/30/2026

Express lenders could charge a default rate if they do so on similar non SBA loans "as long as the interest rate does not exceed the amounts permitted for SBA Express loans," and SBA's interest payment after default is capped at Standard 7(a) maximums.

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.5.a.vii.b, pp. 162 to 163

SOP 50 10 8.1 from 10/1/2026

Express loans "allow a default interest rate"; the Lender "must use appropriate and commercially reasonable default interest rates consistent with those used for similar non SBA guaranteed loans." The express cap and the SBA purchase interest cap sentences are not restated.

SOP 50 10 8.1, App. 18, ¶ B.3.a, pp. 378 to 379

PCA NOTE Borrowers on Express loans should read the default rate clause, since the SOP no longer spells out the cap.

Lender · Buyer

58 Interest rates

TIGHTENED LOW IMPACT

SBA Express base rates, floors and ceilings

SOP 50 10 8 through 9/30/2026

Express lenders could use their own base rate and change intervals (rate may not exceed the 7(a) maximum; only term loans with 120.214(c) base rates can be sold). Express floors and ceilings only had to be stated in the Note, with no symmetry requirement.

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.5.a.iv.a.iii and c.v.b, pp. 162 and 165

SOP 50 10 8.1 from 10/1/2026

Own base rate flexibility kept as the Express exception. All other General Requirements now apply to Express, including the floor and ceiling symmetry rule.

SOP 50 10 8.1, App. 18, ¶ B.3 and A.3.e, pp. 376 and 378 to 379

PCA NOTE Express lenders using floors should check that the floor is at least as far from the Note rate as the ceiling.

Lender

59 Interest rates

NEW MEDIUM IMPACT

Secondary market sale of Alternative Base Rate loans

SOP 50 10 8 through 9/30/2026

Secondary market Note data required "full description of Base Rate, e.g., Prime Rate."

SOP 50 10 8, Sec. B, Ch. 5, ¶ D.2.i.iii, p. 317

SOP 50 10 8.1 from 10/1/2026

Data now covers "Base Rate, e.g., Prime Rate; Alternative Base Rate, e.g., SOFR," consistent with sale of Alternative Base Rate loans; loans may be sold only if the base rate is one allowed in 13 CFR 120.214(c).

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ D.2.i.iii, p. 189; App. 18, ¶ B.3.a.i, p. 379

PCA NOTE Because the guaranteed portion of SOFR or Treasury loans can be sold, PCA expects more lenders to offer these indexes.

Lender Source notice: 5000-875051; 5000-880695

60 Interest rates

CLARIFIED　LOW IMPACT

EWCP base rate

SOP 50 10 8 through 9/30/2026

SBA does not prescribe EWCP rates; lender negotiates fixed or variable; no base rate listed.

SOP 50 10 8, Sec. B, Ch. 4, EWCP interest rates, p. 260

SOP 50 10 8.1 from 10/1/2026

Same, and "The base rate may be the daily Secured Overnight Financing Rate (SOFR) + 3%, Prime Rate, or SBA's Optional Peg Rate."

SOP 50 10 8.1, App. 18, ¶ B.7.a, p. 380

PCA NOTE Relevant only to exporters using EWCP.

Lender　Source notice: 5000-875051

61 Interest rates

CLARIFIED　LOW IMPACT

Quick Reference Charts not updated

SOP 50 10 8 through 9/30/2026

Charts listed "Prime or SBA Optional Peg Rate" plus the spread.

SOP 50 10 8, Sec. B, Ch. 1, ¶ B.4, p. 123

SOP 50 10 8.1 from 10/1/2026

The charts retained in Ch. 1 and Ch. 2 still list only Prime or Peg, even though Appendix 18 allows Alternative Base Rates capped at Prime plus spread.

SOP 50 10 8.1, Sec. B, Ch. 1, ¶ B.4, p. 117; Sec. B, Ch. 2, ¶ B.5, p. 127

PCA NOTE Rely on Appendix 18, not the chapter charts, when quoting SOFR or Treasury pricing.

Lender · Broker

62 Collateral

MOVED　MEDIUM IMPACT

Consolidation into Appendix 19

SOP 50 10 8 through 9/30/2026

Collateral rules sat in Ch. 1 ¶ C.3 (Standard) and Ch. 2 ¶ C.3 (Small and Express), with appraisal rules in each.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3, pp. 135 to 143; SOP 50 10 8, Sec. B, Ch. 2, ¶ C.3, pp. 174 to 180

SOP 50 10 8.1 from 10/1/2026

Appendix 19 has General Requirements (¶ A) and program rules (¶ B). Change of ownership collateral, including valuation discounts, is in Appendix 15 ¶ C.3.

SOP 50 10 8.1, App. 19, pp. 381 to 389; App. 15, ¶ C.3, pp. 358 to 362

PCA NOTE For acquisitions, look first at Appendix 15; Appendix 19 governs all other 7(a) loans.

Lender · Buyer　Source notice: 5000-880695

63 Collateral

UNCHANGED LOW IMPACT

Adequacy, piggyback, restrictions

SOP 50 10 8 through 9/30/2026

No preference for the Lender (13 CFR 120.411); no piggyback structures (loans within 90 days where the SBA loan has a junior or no lien), except working capital loans where the other loan is secured only by trading assets and pari passu liens where the other loan is not shorter. Loans are not declined solely for weak collateral, but the guaranty is not a substitute for available collateral. Lenders review deed restrictions, engineering controls, and remove environmental indemnities running with the land.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.c, pp. 136 to 137

SOP 50 10 8.1 from 10/1/2026

Same substance, condensed.

SOP 50 10 8.1, App. 19, ¶ A.1.c, pp. 381 to 382

PCA NOTE No change.

Lender

64 Collateral

CLARIFIED HIGH IMPACT

Fully secured definition and valuation discounts (non acquisition loans)

SOP 50 10 8 through 9/30/2026

Fully secured means liens on all available fixed assets up to the loan amount, valued at: new equipment 75% of price; used equipment 50% of NBV or 80% of orderly liquidation appraisal; improved real estate 85% and unimproved 50% of market value; furniture and fixtures 10%; trading assets (optional) 10% of book value. Vehicles need a lien only if unencumbered and worth more than $20,000.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.d.i, p. 137

SOP 50 10 8.1 from 10/1/2026

Standard 7(a) is fully secured with liens on all available fixed assets "using the valuation limits set forth in this Appendix," but Appendix 19 states only the real estate 85%/50% limits (under 7(a) Small). The equipment, furniture, trading asset percentages and the $20,000 vehicle test are restated only for changes of ownership in Appendix 15; the 75% new equipment figure no longer appears for 7(a).

SOP 50 10 8.1, App. 19, ¶ B.1.b and B.2.c.ii, pp. 383 to 384; App. 15, ¶ C.3.d.i, p. 360

PCA NOTE PCA expects lenders to keep using the familiar discounts for non acquisition loans, but the SOP text now leaves a gap; confirm the lender's collateral policy for equipment heavy deals.

Lender · Buyer

65 Collateral

TIGHTENED · HIGH IMPACT

Personal real estate on a shortfall

SOP 50 10 8 through 9/30/2026

If not fully secured, the lender must take available equity in personal real estate (residential and investment, including other commercial property) "solely owned" by co borrowers, 20% or more owners and guarantors except Supplemental Guarantors; liens may be limited to the shortfall and to 150% of equity. Trading assets could also be included.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.d.ii, p. 138

SOP 50 10 8.1 from 10/1/2026

Same rule, adding: "'solely owned' real estate includes property held in an entity that is solely owned, directly or indirectly, by such persons." The option to add trading assets is not restated for Standard loans.

SOP 50 10 8.1, App. 19, ¶ B.1.b.i, p. 383; App. 15, ¶ C.3.d.ii.a, pp. 361 to 362

PCA NOTE Holding a home or rental in a single member LLC no longer keeps it out of the collateral pool. Buyers and guarantors should expect liens on entity held real estate they own alone.

Buyer · Lender Source notice: 5000-880695

66 Collateral

CLARIFIED · MEDIUM IMPACT

Less than 25% equity exemption

SOP 50 10 8 through 9/30/2026

Real estate need not be taken to meet fully secured when equity is less than 25% of fair market value, documented from a source other than the personal financial statement.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.d.iii, p. 138

SOP 50 10 8.1 from 10/1/2026

Same rule. For changes of ownership, Appendix 15 adds that lack of equity means fair market value after existing liens gives less than 25% equity, and "the mere presence of a prior lien that restricts or prohibits the placement of a junior lien does not, by itself, constitute 'lack of equity.'"

SOP 50 10 8.1, App. 19, ¶ B.1.b.ii, p. 383; App. 15, ¶ C.3.d.ii.b, p. 362

PCA NOTE A first mortgage that bars junior liens is no longer a reason to skip a buyer's home in an acquisition; lenders will need to work around the restriction.

Buyer · Lender Source notice: 5000-880695

67 Collateral

CLARIFIED · LOW IMPACT

First lien on financed assets; improvements and vehicles

SOP 50 10 8 through 9/30/2026

A first lien on assets acquired, refinanced or improved, except a subordinate lien for improvements when existing debt is ineligible or on reasonable terms (documented), and the vehicle exception at $20,000.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.d.iv, p. 138

SOP 50 10 8.1 from 10/1/2026

Same principle stated by cross reference ("except where this Appendix permits a subordinate lien for asset improvements or does not require a lien on certain vehicles"); the detailed improvement and $20,000 vehicle text is not restated in Appendix 19.

SOP 50 10 8.1, App. 19, ¶ B.1.c, p. 383

PCA NOTE Practically unchanged, but lenders should document improvement and vehicle exceptions using the old criteria until SBA fills the gap.

Lender

68 Collateral

UNCHANGED MEDIUM IMPACT

Spouse and minor children; 6 month transfers

SOP 50 10 8 through 9/30/2026

For 20% or more owners (with spouse and minor children), the lender must consider liens on personal real estate owned individually or jointly; real estate transferred to a non owning spouse or minor children within 6 months of application stays available.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.d.v, pp. 138 to 139

SOP 50 10 8.1 from 10/1/2026

Same.

SOP 50 10 8.1, App. 19, ¶ B.1.d, p. 383

PCA NOTE Moving the house into a spouse's name shortly before applying still does not work.

Buyer · Lender

69 Collateral

REMOVED MEDIUM IMPACT

Real estate appraisal standards

SOP 50 10 8 through 9/30/2026

Detailed rules: USPAP "Appraisal Report"; no exemption for federally regulated lenders under the 2010 Interagency Guidelines; as completed value for construction or substantial renovation with a completion statement; as is value for existing buildings; exclude rental income and intangibles; if the appraisal comes in at closing below 90% of the estimate, SBA permission (non PLP) or written justification (PLP) is needed; cost may be passed to the Applicant.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.e.i, pp. 139 to 141

SOP 50 10 8.1 from 10/1/2026

Appendix 19 keeps the core: 13 CFR 120.160(b), State licensed or certified (certified above $1,000,000), USPAP, dated within 12 months of application, independent appraiser, lender as client, no seller or Applicant appraisal, independent appraisal to value fixed assets above NBV, and no specific rules for non commercial real estate securing a guaranty. The other detailed provisions are not restated.

SOP 50 10 8.1, App. 19, ¶ A.1.d, p. 382

PCA NOTE PCA advises lenders to keep their existing as completed and 90% of estimate procedures, since prudent lending review at purchase will still expect them even though the SOP text is shorter.

Lender · Buyer

70 Collateral

CLARIFIED MEDIUM IMPACT

Appraisal versus evaluation for 7(a) Small and Express

SOP 50 10 8 through 9/30/2026

For 7(a) Small and Express loans secured by commercial real estate, an appraisal was required only for close relationship transactions or when SBA or the lender deemed it necessary; otherwise an evaluation consistent with the Interagency Guidelines was acceptable.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.3.c.i.a, p. 178

SOP 50 10 8.1 from 10/1/2026

Appendix 19 requires an appraisal "when ... an appraisal is required under the applicable loan program section," but the Small and Express sections do not say when; the evaluation alternative is not restated (the IT section still mentions "appraisals or evaluations").

SOP 50 10 8.1, App. 19, ¶ A.1.d.i and B.2 to B.3, pp. 382 to 385; ¶ B.8.d, p. 389

PCA NOTE For smaller deals with real estate, confirm with the lender whether an evaluation will be accepted before ordering a full appraisal.

Lender · Buyer

71 Collateral

UNCHANGED MEDIUM IMPACT

7(a) Small loans

SOP 50 10 8 through 9/30/2026

No collateral required at $50,000 or less. Above $50,000, at minimum a first lien on assets financed; if 50% or more of proceeds are working capital, liens on all business fixed assets including real estate up to fully secured (real estate under 25% equity excluded). Lenders may take more, such as personal real estate and trading assets.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.3.a, pp. 174 to 176

SOP 50 10 8.1 from 10/1/2026

Same thresholds and rules, with the equipment and furniture discount percentages no longer restated.

SOP 50 10 8.1, App. 19, ¶ B.2, pp. 383 to 385

PCA NOTE Small working capital loans above $50,000 still reach business real estate but not the owners' homes unless the lender's own policy requires it.

Lender · Buyer

72 Collateral

CLARIFIED LOW IMPACT

SBA Express loans

SOP 50 10 8 through 9/30/2026

No collateral at $50,000 or less; above $50,000, follow the lender's own written policies for similar non SBA loans "to the maximum extent practicable."

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.3.b, p. 177

SOP 50 10 8.1 from 10/1/2026

Same thresholds; above $50,000 the lender "must follow the General Requirements" of Appendix 19 but "may use its own collateral policies and procedures ... in place of SBA's detailed collateral procedures."

SOP 50 10 8.1, App. 19, ¶ B.3, p. 385

PCA NOTE Express remains the lightest collateral path for loans up to $500,000.

Lender

73 Collateral

NEW LOW IMPACT

MARC loans

SOP 50 10 8 through 9/30/2026

No MARC program.

Not addressed

SOP 50 10 8.1 from 10/1/2026

The lender must place a lien on all business assets by UCC 1 filing and obtain a first lien on trading assets (receivables and inventory).

SOP 50 10 8.1, App. 19, ¶ B.4, p. 385

PCA NOTE A MARC line will take the first position on receivables and inventory, so any acquisition term loan must be structured around it.

Lender Source notice: 5000-870260

74 Collateral

UNCHANGED · MEDIUM IMPACT

Life insurance

SOP 50 10 8 through 9/30/2026

For Standard 7(a), EWCP, CAPLines and IT, lenders follow internal policy, but if not fully secured, life insurance equal to the collateral shortfall is required for principals of sole proprietorships, single member LLCs, or businesses dependent on one owner. Small, Express and Export Express follow the lender's written policy. Existing policies may be pledged; collateral assignment acknowledged by the insurer's home office.

SOP 50 10 8, Sec. A, Ch. 5, ¶ C.4, pp. 95 to 96

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ C.4, p. 100

PCA NOTE Solo operator acquisitions that are not fully secured still need term life equal to the shortfall; start underwriting early because the policy must be assigned before closing.

Buyer · Lender

75 Submission of application

MOVED · MEDIUM IMPACT

Consolidation into Appendix 20

SOP 50 10 8 through 9/30/2026

Separate submission rules and document lists in Ch. 1 ¶ D (Standard) and Ch. 2 ¶ D (with separate lists for 7(a) Small and SBA Express).

SOP 50 10 8, Sec. B, Ch. 1, ¶ D, pp. 144 to 148; SOP 50 10 8, Sec. B, Ch. 2, ¶ D, pp. 182 to 188

SOP 50 10 8.1 from 10/1/2026

One General Requirements list in Appendix 20 ¶ A; ¶ B.1 says that for "Standard 7(a) Loans, 7(a) Small Loans, Express, Export Express and MARC Loans ... All general requirements ... apply. No additional program specific exceptions." CAPLines keep specific closing items.

SOP 50 10 8.1, App. 20, ¶¶ A and B, pp. 390 to 395

PCA NOTE Read literally, Express and Small files now follow the Standard 7(a) list; see the next item.

Lender   Source notice: 5000-880695

76 Submission of application

TIGHTENED · MEDIUM IMPACT

Express and 7(a) Small document lists

SOP 50 10 8 through 9/30/2026

SBA Express required a shorter file: Form 1919 data, credit memo, tax transcripts (with a credit scoring exception from reconciliation), owner financial statements, franchise, refinance documents, citizenship verification, management agreements, environmental questionnaire. 7(a) Small had its own list without three years of business statements or asset listings.

SOP 50 10 8, Sec. B, Ch. 2, ¶ D.1.b and c, pp. 184 to 187

SOP 50 10 8.1 from 10/1/2026

No separate Small or Express list; the general list applies, including three years of year end statements and interim statements, lease, equipment quotes, listings of assets purchased and all collateral.

SOP 50 10 8.1, App. 20, ¶ A.1 and B.1, pp. 390 to 393

PCA NOTE PCA expects SBA to clarify this, but Express and Small borrowers should be ready to produce full financial packages.

Lender · Buyer

77 Submission of application

LOOSENED HIGH IMPACT

Same institution debt no longer forces non delegated

SOP 50 10 8 through 9/30/2026

Delegated lenders "May only submit applications to SBA via E-Tran for approval under non delegated procedures when the loan will refinance the Lender's same institution debt," and otherwise must use delegated authority.

SOP 50 10 8, Sec. B, Ch. 1, ¶ D, p. 144; SOP 50 10 8, Sec. B, Ch. 2, ¶ D.1, p. 182

SOP 50 10 8.1 from 10/1/2026

The SID carve out is gone from the submission rules, consistent with Appendix 14 allowing SID under PLP.

SOP 50 10 8.1, App. 20, ¶ A.1, p. 390; App. 14, ¶ A.4, p. 336

PCA NOTE Deals refinancing the lender's own debt no longer need an LGPC queue.

Lender Source notice: 5000-880695

78 Submission of application

MOVED LOW IMPACT

Exceptions to policy and 7aDelegatedLoanApps

SOP 50 10 8 through 9/30/2026

Delegated lenders requested exceptions and asked loan specific questions at 7aDelegatedLoanApps@sba.gov, with details repeated in each chapter's submission section.

SOP 50 10 8, Sec. B, Ch. 1, ¶ D, p. 144; SOP 50 10 8, Introduction, pp. 11 to 12

SOP 50 10 8.1 from 10/1/2026

Handled only in the Introduction. Requests must now also include "the name of the Applicant ... loan amount, delivery method," and question emails must state loan amount and delivery method.

SOP 50 10 8.1, Introduction (Exceptions to Policy), pp. 11 to 12

PCA NOTE Minor, but lenders should add loan amount and delivery method to exception requests.

Lender

79 Submission of application

CLARIFIED LOW IMPACT

Ownership listing

SOP 50 10 8 through 9/30/2026

List 100% of direct and indirect ownership in E-Tran; "The ownership percentage of married spouses and minor children must be combined."

SOP 50 10 8, Sec. B, Ch. 1, ¶ D, p. 144

SOP 50 10 8.1 from 10/1/2026

List 100% of direct and indirect ownership; "The ownership percentages of all listed owners must equal 100%." The spouse combination sentence is not repeated here.

SOP 50 10 8.1, App. 20, ¶ A.1, p. 390

PCA NOTE Spousal attribution still applies under the guaranty and eligibility rules; this paragraph just focuses on completeness.

Lender Source notice: 5000-876626

80 Submission of application

UNCHANGED LOW IMPACT

SBA Form 1919 and jobs data

SOP 50 10 8 through 9/30/2026

A separate Form 1919 for each co borrower, signed and kept in file; only its data goes into E-Tran; purposes across forms must equal the loan. Existing employees counted per 13 CFR 121.106 without FTE conversion; jobs created and retained defined; 1099 contractors excluded.

SOP 50 10 8, Sec. B, Ch. 1, ¶ D and D.1.b, pp. 144 to 145

SOP 50 10 8.1 from 10/1/2026

Same, entered into the "SBA Loan System."

SOP 50 10 8.1, App. 20, ¶ A.1 and A.1.a, pp. 390 to 391

PCA NOTE No change. (SBA Form 1920 is not referenced in either version.)

Lender · Buyer

81 Submission of application

TIGHTENED MEDIUM IMPACT

Personal financial statement age

SOP 50 10 8 through 9/30/2026

Owner financial statements (business or personal) signed and dated within 120 days of submission for 20% or more owners and guarantors (except Supplemental Guarantors); SBA Form 413 or equivalent.

SOP 50 10 8, Sec. B, Ch. 1, ¶ D.1.d, p. 145; SOP 50 10 8, Sec. B, Ch. 2, ¶ D.1.b.ii.c, p. 184

SOP 50 10 8.1 from 10/1/2026

Personal financial statements must be "signed and dated within 90 days of submission to SBA." "Business financial statements must be dated within 120 days of submission."

SOP 50 10 8.1, App. 20, ¶ A.1.c, p. 391

PCA NOTE Buyers and guarantors should refresh Form 413 closer to submission; a PFS from four months ago will be stale.

Buyer · Lender   Source notice: 5000-880695

82 Submission of application

UNCHANGED LOW IMPACT

Financial statements, projections, lists and real estate items

SOP 50 10 8 through 9/30/2026

Tax transcripts; 3 years of statements or returns plus interim within 120 days; projections showing DSCR of 1.15 or more within 2 years for start ups, new businesses and changes of ownership; lease; equipment quotes; asset and collateral listings; for real estate purchases an appraisal, signed purchase agreement, environmental questionnaire and cost breakdown.

SOP 50 10 8, Sec. B, Ch. 1, ¶ D.1.e to k, pp. 145 to 146

SOP 50 10 8.1 from 10/1/2026

Same, with appraisal cross referenced to Appendix 19 ¶ A.1.d.

SOP 50 10 8.1, App. 20, ¶ A.1.d to j, pp. 391 to 392

PCA NOTE No change in the core package.

Lender · Buyer

83 Submission of application

CLARIFIED MEDIUM IMPACT

Change of ownership documents

SOP 50 10 8 through 9/30/2026

For a business purchase: buy sell agreement, business valuation meeting Ch. 1 ¶ C.3.d.v, pro forma balance sheet, 3 years of seller statements and seller interim statements within 120 days (or alternate revenue verification explained in the credit memo).

SOP 50 10 8, Sec. B, Ch. 1, ¶ D.1.l, pp. 146 to 147

SOP 50 10 8.1 from 10/1/2026

Same list, with the valuation standard now Appendix 15 ¶ C.1.a.

SOP 50 10 8.1, App. 20, ¶ A.1.k, p. 392

PCA NOTE Sellers should still expect to sign or certify statements within 120 days of submission.

Buyer · Seller · Lender · Broker Source notice: 5000-880695

84 Submission of application

UNCHANGED LOW IMPACT

Refinance documents

SOP 50 10 8 through 9/30/2026

Keep notes, security agreements, leases and 12 months of transcripts for debt being refinanced; submit them to the LGPC for non delegated loans.

SOP 50 10 8, Sec. B, Ch. 1, ¶ D.1.m, p. 147

SOP 50 10 8.1 from 10/1/2026

Same.

SOP 50 10 8.1, App. 20, ¶ A.1.l, p. 392

PCA NOTE No change.

Lender

85 Submission of application

TIGHTENED HIGH IMPACT

Citizenship documentation

SOP 50 10 8 through 9/30/2026

"Documentation of U.S. National and/or LPR/USCIS status verification," with USCIS verification for each alien before submission.

SOP 50 10 8, Sec. B, Ch. 1, ¶ D.1.n, p. 147

SOP 50 10 8.1 from 10/1/2026

"Documentation of U.S. National" status under "Citizenship and Residency Requirements"; the lender documents proof (birth certificate or passport) in the file and enters "the U.S. National's Social Security Number on the Application." LPR and USCIS language is gone because owners must be 100% U.S. citizens or nationals.

SOP 50 10 8.1, App. 20, ¶ A.1.m, p. 392

PCA NOTE Every owner of the buyer entity must be a U.S. citizen or national; searchers with permanent resident partners or investors need to restructure before applying.

Buyer · Lender Source notice: 5000-876441; 5000-876626

86 Submission of application

REMOVED LOW IMPACT

Applicant certification of forms

SOP 50 10 8 through 9/30/2026

"Any application form obtained by the Lender from the Applicant must be certified by the Applicant as true and complete."

SOP 50 10 8, Sec. B, Ch. 1, ¶ D.1, p. 145

SOP 50 10 8.1 from 10/1/2026

This sentence is not repeated in Appendix 20.

Not addressed

PCA NOTE Lenders will likely keep certification language in their own forms; this is not a practical relaxation.

Lender

87 Submission of application

REMOVED MEDIUM IMPACT

12 month bar after withdrawal or decline

SOP 50 10 8 through 9/30/2026

An application withdrawn, screened out or declined by the LGPC could not be approved under any lender's PLP or SBA Express authority for 12 months.

SOP 50 10 8, Sec. B, Ch. 2, ¶ D.2, pp. 187 to 188

SOP 50 10 8.1 from 10/1/2026

Not carried forward; no equivalent 7(a) rule appears in Appendix 20.

Not addressed

PCA NOTE PCA advises caution: absent the text, a lender may still treat a recent LGPC decline as a red flag in underwriting.

Lender · Broker Source notice: 5000-880695

88 Submission of application

CLARIFIED LOW IMPACT

Where to submit and reconsideration

SOP 50 10 8 through 9/30/2026

Non delegated applications go to the LGPC via E-Tran (files over 250MB split); PLP applications go through E-Tran with documents kept in file. Reconsideration within 6 months of decline; over 120 days needs current statements; second request to the D/FA is final. The 7(a) Small version lacked the 120 day sentence.

SOP 50 10 8, Sec. B, Ch. 1, ¶ D.2, pp. 147 to 148; SOP 50 10 8, Sec. B, Ch. 2, ¶ D.3, p. 188

SOP 50 10 8.1 from 10/1/2026

Same, using the "SBA Loan System"; one reconsideration rule, including the 120 day current statements requirement, now applies to all non delegated loans.

SOP 50 10 8.1, App. 20, ¶ A.2, p. 393

PCA NOTE No practical change for PLP acquisition loans.

Lender

CHANGE LOG

7(a) Small, SBA Express, MARC and CAPLines

SOP 50 10 8.1 strips Chapter 2 down to program specific rules and sends refinancing, changes of ownership, guaranty, maturity, interest, collateral and submission to Appendices 14 to 20. The biggest change is 7(a) Small underwriting: the FICO SBSS screen is gone and a lender's own credit analysis applies instead, with a hard DSCR floor of 1.10, two months of bank statements, and a bar on using 7(a) Small standards for any change of ownership (PNs 5000-875701 and 5000-876777). SBA Express gains reissue options, same institution refinancing moves to delegated authority, and several appraisal and collateral valuation details for small loans are no longer spelled out. A new Chapter 3 creates MARC, a revolving line of up to $5,000,000 for manufacturers and $2,000,000 for wholesale and food supply businesses, with 1.15 DSCR underwriting, an all asset lien and annual term out tests (PN 5000-870260). CAPLines becomes Chapter 4 and Working Capital CAPLines take on Working Capital Pilot style borrowing base rules, including a BBC mandate at $2,000,000, new advance rates and ineligibility lists, and a firmer annual review.

NEW 23 · MOVED 17 · CLARIFIED 14 · TIGHTENED 12 · REMOVED 9 · UNCHANGED 8 · LOOSENED 6

1 7(a) Small and SBA Express

UNCHANGED · LOW IMPACT

Program definitions

SOP 50 10 8 through 9/30/2026

7(a) Small loans are term (non revolving) 7(a) loans of $350,000 or less. SBA Express loans are $500,000 or less, may only be made by a Lender with SBA Express authority, and may not be sent to the LGPC for non delegated processing.

SOP 50 10 8, Sec. B, Ch. 2, introduction, p. 149

SOP 50 10 8.1 from 10/1/2026

Same definitions and the same bar on non delegated processing of SBA Express loans.

SOP 50 10 8.1, Sec. B, Ch. 2, introduction, p. 125

PCA NOTE PCA sees no change to the basic lanes. The rule changes inside those lanes, especially 7(a) Small underwriting, matter much more.

Lender · Buyer · Broker

2 7(a) Small and SBA Express

MOVED · MEDIUM IMPACT

Debt refinancing moved

SOP 50 10 8 through 9/30/2026

Chapter 2 held the full debt refinancing rules for 7(a) Small and SBA Express: the 12 month current test, eligible debt types, the same institution debt rules, the 10 percent payment improvement test, and the written refinancing analysis.

SOP 50 10 8, Sec. B, Ch. 2, ¶ A.1, pp. 149 to 153

SOP 50 10 8.1 from 10/1/2026

Chapter 2 now only says "Debt Refinancing: See Appendix 14: 7(a) Debt Refinancing Requirements Para. B.2." The general rules sit in Appendix 14 ¶ A, with a short 7(a) Small and Express section in ¶ B.2.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ A.1, p. 125; App. 14, ¶ A and ¶ B.2, pp. 335 to 339

PCA NOTE PCA suggests lenders and brokers pull refinancing checklists from Appendix 14, not Chapter 2. The substance is covered in the refinancing cluster; only the Small and Express points appear here.

Lender · Buyer · Broker

3 7(a) Small and SBA Express

LOOSENED · HIGH IMPACT

Same institution debt refinancing

SOP 50 10 8 through 9/30/2026

Refinancing same institution debt "may not be processed under a Lender's PLP authority" and had to go to the LGPC as a non delegated 7(a) Small or Standard 7(a) loan. Because SBA Express cannot be non delegated, "refinance of same institution debt may not be processed as an SBA Express loan."

SOP 50 10 8, Sec. B, Ch. 2, ¶ A.1.c, p. 151 and ¶ D.1, p. 182

SOP 50 10 8.1 from 10/1/2026

"Refinancing of SID may be processed under a Lender's PLP authority", subject to 13 CFR 120.452 (no use of delegated authority to reduce the Lender's own exposure), a 36 month payment transcript, and a written explanation of late payments. Appendix 14 ¶ B.2.b applies the same SID rules to SBA Express loans.

SOP 50 10 8.1, App. 14, ¶ A.4 and ¶ B.2.b, pp. 336 and 339

PCA NOTE PCA sees this as a real speed gain: a borrower's own bank can now refinance its existing debt into a 7(a) Small or Express loan without an LGPC review. Lenders still have to show they are not moving a likely loss to SBA, so the file needs to be clean.

Lender · Buyer · Broker

4 7(a) Small and SBA Express

LOOSENED · MEDIUM IMPACT

Merchant cash advances

SOP 50 10 8 through 9/30/2026

"Merchant cash advances and factoring agreements are not eligible for refinancing."

SOP 50 10 8, Sec. B, Ch. 2, ¶ A.1.b, p. 151

SOP 50 10 8.1 from 10/1/2026

Factoring agreements are still ineligible. Sales based repayment agreements (for example merchant cash advances) may be refinanced "only if the original agreement has been converted to a term loan, has amortized for at least 24 months, and no additional Agreements have been implemented since the conversion."

SOP 50 10 8.1, App. 14, ¶ A.2 and ¶ A.3, p. 336

PCA NOTE PCA notes this gives a narrow path, not a general one. An owner still paying a live MCA cannot refinance it with SBA money; the MCA has to have been termed out and amortizing for two years first.

Buyer · Lender · Broker

5 7(a) Small and SBA Express

CLARIFIED　LOW IMPACT

Written refinancing analysis

SOP 50 10 8 through 9/30/2026

For 7(a) Small loans only, a written analysis covering why the debt was incurred, why no creditor is in a position to sustain a loss, the reason for restructuring, how the new loan helps, and an itemization of creditors paid $10,000 or more. Both 7(a) Small and Express had to keep the supporting note and security documents.

SOP 50 10 8, Sec. B, Ch. 2, ¶ A.1.g, pp. 152 to 153

SOP 50 10 8.1 from 10/1/2026

For 7(a) Small and Express: "All general debt refinancing requirements apply. A written credit memorandum is not required; however, supporting documentation for the debt being refinanced must be retained." The general written analysis list stays in ¶ A.8.

SOP 50 10 8.1, App. 14, ¶ A.8 and ¶ B.2.a, pp. 337 and 339

PCA NOTE PCA reads the two provisions as partly in tension. Until SBA clarifies, a lender should still document the refinancing rationale in the file, because the general rules that "apply" call for it.

Lender

6 7(a) Small and SBA Express

TIGHTENED　HIGH IMPACT

Changes of ownership on 7(a) Small

SOP 50 10 8 through 9/30/2026

Chapter 2 contained its own change of ownership rules, so a complete change of ownership of $350,000 or less could be underwritten as a 7(a) Small loan (SBSS screen plus a Small credit memo, 10 percent equity, business valuation, site visit).

SOP 50 10 8, Sec. B, Ch. 2, ¶ A.2, pp. 153 to 157

SOP 50 10 8.1 from 10/1/2026

"Change of Ownership transactions cannot be financed using 7(a) Small standards and must be underwritten per the requirements outlined in Appendix 15."

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ A.2, p. 125; App. 15, p. 342

PCA NOTE PCA sees this as the biggest practical change for small acquisitions. A buyer of a business priced under roughly $400,000 should expect full Appendix 15 underwriting (valuation, projections, equity, seller note tests) even when the loan fits the 7(a) Small size limit, so timelines and document lists look like a Standard 7(a) deal.

Buyer · Seller · Lender · Broker

7 7(a) Small and SBA Express

REMOVED　LOW IMPACT

Interest only periods

SOP 50 10 8 through 9/30/2026

"All 7(a) term (non revolving) loans may be structured with a period of interest only payments on the front end of the loan. The Lender may sell the loan on the secondary market after the interest only period ends."

SOP 50 10 8, Sec. B, Ch. 2, ¶ B (introduction), p. 157

SOP 50 10 8.1 from 10/1/2026

The sentence is not restated in Chapter 2 or in Appendices 17 and 18. Appendix 15 now says added acquisition debt structured with interest only payments must be amortized over no more than 10 years for analysis.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ B, p. 125; App. 15, ¶ on added acquisition debt, p. 357

PCA NOTE PCA does not read this as a ban, since nothing prohibits an interest only period, but the express permission is gone. Buyers who need a short interest only runway after closing should confirm the lender's reading before relying on it.

Lender · Buyer

8 7(a) Small and SBA Express

UNCHANGED LOW IMPACT

Maximum loan amounts

SOP 50 10 8 through 9/30/2026

7(a) Small: $350,000 per project, including other 7(a) loans made within 90 days. SBA Express: $500,000 gross, inclusive of outstanding SBA Express, Community Advantage Pilot, Community Express and Patriot Express loans to the Applicant and Affiliates.

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.1.a and b, pp. 157 to 158

SOP 50 10 8.1 from 10/1/2026

Same limits and the same affiliate aggregation rule.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ B.1.a to c, pp. 125 to 126

PCA NOTE PCA notes no change to size limits. The 90 day combination rule still matters when a buyer pairs a 7(a) Small term loan with other 7(a) credit.

Lender · Buyer

9 7(a) Small and SBA Express

NEW LOW IMPACT

Community Advantage SBLC cap on Express

SOP 50 10 8 through 9/30/2026

No separate cap for Community Advantage lenders inside the $500,000 SBA Express limit.

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.1.b, p. 158

SOP 50 10 8.1 from 10/1/2026

"For Community Advantage Small Business Lending Companies (CA SBLCs), the maximum loan amount to any one Borrower is limited to $350,000."

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ B.1.b, p. 125

PCA NOTE PCA flags this for borrowers working with mission lenders: a CA SBLC cannot go above $350,000 to one borrower even under Express authority.

Lender · Buyer

10 7(a) Small and SBA Express

MOVED MEDIUM IMPACT

Guaranty percentages

SOP 50 10 8 through 9/30/2026

$3,750,000 maximum SBA exposure per business and affiliates, with 7(a) Small and Express guaranties counted. 7(a) Small: 85% up to $150,000 and 75% above. SBA Express: 50%.

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.2, p. 158

SOP 50 10 8.1 from 10/1/2026

Same percentages, now in Appendix 16 ¶ B.2. The general rule in ¶ A.1 adds that the exposure calculation must include "the approved loan amount and any existing 7(a) or 504 loans, including revolving lines of credit."

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ B.2, p. 126; App. 16, ¶ A.1 and ¶ B.2, pp. 364 to 365

PCA NOTE PCA sees no change in the numbers. Lenders should note the clearer instruction to count existing 504 exposure when testing the $3,750,000 cap.

Lender

11 7(a) Small and SBA Express

MOVED LOW IMPACT

Term loan maturities

SOP 50 10 8 through 9/30/2026

Working capital, inventory and intangibles up to 10 years; equipment generally 10 years (up to 15 with IRS useful life) plus up to 12 months for installation; real estate up to 25 years plus construction time; leasehold improvements 10 years plus up to 12 months; blended maturity for mixed purpose and change of ownership loans; farm rules.

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.3.a.i, pp. 158 to 159

SOP 50 10 8.1 from 10/1/2026

Same limits in Appendix 17 ¶ A, which Appendix 17 ¶ B.2 applies to 7(a) Small with no exceptions. The mixed purpose and change of ownership maturity rule now points to Appendix 15.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ B.3, p. 126; App. 17, ¶ A and ¶ B.2, p. 367

PCA NOTE PCA notes that maturity math for acquisitions now lives in Appendix 15, so blended maturity on a small business purchase should be checked there.

Lender · Buyer

12 7(a) Small and SBA Express

MOVED MEDIUM IMPACT

SBA Express lines of credit structure

SOP 50 10 8 through 9/30/2026

Express lines may not exceed 10 years including term out. Revolving loans over 12 months need a term out at least as long as the draw period, "with no draws permitted during the term out period", and no advances after 60 months. Annual renewals allowed with no renewal fee; extra guaranty fee if a 12 month loan is extended past 12 months.

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.3.a.ii, p. 160

SOP 50 10 8.1 from 10/1/2026

Same structure in Appendix 17 ¶ B.3, restated as "Once the loan is amortized, no additional draws are permitted."

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ B.3.a, p. 126; App. 17, ¶ B.3, pp. 367 to 368

PCA NOTE PCA sees the same 60 month draw ceiling. A buyer using an Express line for post closing working capital still has to plan for the line to amortize.

Lender · Buyer

13 7(a) Small and SBA Express

NEW MEDIUM IMPACT

Reissuing an SBA Express loan

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

Lenders may reissue a new SBA Express loan to restructure a current one "at any point before amortizing payments begin." Option 1, Line Retention: the credit memo must address line utilization and justify keeping the revolving period. Option 2, Extended Amortization: term out the existing Express loan over up to 10 years, longer than the original repayment term, with no revolving period.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ B.3.b, p. 126; App. 17, ¶ B.3.a.ii.b), p. 367

PCA NOTE PCA sees this as useful flexibility: a borrower whose Express line is nearing its term out date can get either more revolving time or a longer payoff, without a separate SBA approval. Plan the request before amortization starts, because the option closes after that.

Lender · Buyer

14 7(a) Small and SBA Express

UNCHANGED LOW IMPACT

Non financial default provisions

SOP 50 10 8 through 9/30/2026

Allowed on SBA Express if substantive, agreed in writing at closing, consistent with the lender's similar non SBA loans, not the sole basis for a purchase request, and paired with a stated maturity date.

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.4, p. 160

SOP 50 10 8.1 from 10/1/2026

Same five conditions.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ B.4, p. 126

PCA NOTE PCA notes no change.

Lender

15 7(a) Small and SBA Express

MOVED LOW IMPACT

Interest rate rules moved

SOP 50 10 8 through 9/30/2026

Chapter 2 carried the full interest rate section: maximum rate chart (Prime or Peg plus 6.5%, 6.0%, 4.5% and 3.0% by size), fixed rate rules, change intervals, note contents, accrual, amortization, fixed and variable combinations, and interest rate swaps.

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.5, pp. 160 to 167

SOP 50 10 8.1 from 10/1/2026

Chapter 2 keeps only the rate chart (same spreads) and points to Appendix 18 ¶ B.2 to B.3. The detailed rules, including swaps, are in Appendix 18 ¶ A.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ B.5, pp. 126 to 127; App. 18, pp. 372 to 379

PCA NOTE PCA sees no change to maximum spreads for 7(a) Small or Express.

Lender

16 7(a) Small and SBA Express

NEW MEDIUM IMPACT

Alternative base rates

SOP 50 10 8 through 9/30/2026

For 7(a) Small loans, "there are two acceptable base rates": Prime or the SBA Optional Peg Rate.

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.5.a.iv.a).i), p. 161

SOP 50 10 8.1 from 10/1/2026

Variable rate loans may also use an Alternative Base Rate: SOFR, the 5 year Treasury or the 10 year Treasury. When one is used, the all in maximum rate is capped by Prime plus the size based spread (6.5%, 6.0%, 4.5%, 3.0%).

SOP 50 10 8.1, App. 18, ¶ A.1.e and ¶ A.2.b to d, pp. 372 to 374

PCA NOTE PCA sees new pricing options for small loans, for example a rate tied to the 5 year Treasury. Buyers should compare the all in rate, because the ceiling is still set off Prime.

Lender · Buyer Source notice: 5000-875051

17 7(a) Small and SBA Express

CLARIFIED LOW IMPACT

Maximum rate on variable rate adjustments

SOP 50 10 8 through 9/30/2026

"SBA's maximum allowable interest rate applies only to the initial Note rate on a variable rate loan. Subsequent changes in the base rate are not subject to the maximum rate", but the spread cannot exceed the maximum.

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.5.c.i, p. 163

SOP 50 10 8.1 from 10/1/2026

The maximum "applies both to the initial Note rate on a variable rate loan and to the combined rate that is obtained by adding the spread to either the base rate or Alternative Base Rate." The spread used at adjustments must not exceed the maximum allowed at origination.

SOP 50 10 8.1, App. 18, ¶ A.3.a, p. 374

PCA NOTE PCA reads this mainly as a spread discipline rule. Lenders should confirm their notes do not step up the spread at later adjustments.

Lender Source notice: 5000-875051

18 7(a) Small and SBA Express

LOOSENED LOW IMPACT

Default interest rates

SOP 50 10 8 through 9/30/2026

7(a) Small: default rates not permitted. SBA Express: a default rate is allowed if the lender uses one on similar non SBA loans and it stays within the Express maximum; SBA's interest payment after default "is capped at the maximum interest rates for the Standard 7(a) loan program."

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.5.a.vii, pp. 162 to 163

SOP 50 10 8.1 from 10/1/2026

7(a) Small: still not permitted. SBA Express: "The Lender must use appropriate and commercially reasonable default interest rates consistent with those used for similar non SBA guaranteed loans." The Express maximum limit and the cap on SBA's interest payment are not restated for Express (they remain for Export Express).

SOP 50 10 8.1, App. 18, ¶ B.2.a and ¶ B.3.a, p. 375

PCA NOTE PCA advises borrowers on Express loans to read the default rate clause closely, since the SOP text no longer ties it expressly to the Express maximum. Lenders should not assume SBA will pay default interest above the standard maximum.

Lender · Buyer

19 7(a) Small and SBA Express

TIGHTENED · LOW IMPACT

Rate floors and ceilings on Express

SOP 50 10 8 through 9/30/2026

7(a) Small floors and ceilings had to be symmetric around the note rate. For SBA Express, a lender only had to state both the floor and ceiling in the note.

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.5.c.v, p. 165

SOP 50 10 8.1 from 10/1/2026

One general rule for all 7(a) loans: both must be stated in the Note and "the difference between the stated rate in the Note and the floor is equal to or greater than the difference between the stated rate in the Note and the ceiling." The Express exception in ¶ B.3 does not carve out floors.

SOP 50 10 8.1, App. 18, ¶ A.3.e, p. 376

PCA NOTE PCA suggests Express lenders review note templates; a high floor with a tight ceiling may no longer comply.

Lender

20 7(a) Small and SBA Express

CLARIFIED · LOW IMPACT

365/360 accrual caution

SOP 50 10 8 through 9/30/2026

No required accrual method unless sold; loans sold must use 30/360 or Actual/365.

SOP 50 10 8, Sec. B, Ch. 2, ¶ B.5.c.vi, p. 165

SOP 50 10 8.1 from 10/1/2026

Same rule plus a warning that lenders "cannot use this accrual method [365/360] and charge the maximum allowable rate" because the APR would exceed SBA's maximum.

SOP 50 10 8.1, App. 18, ¶ A.3.f, p. 376

PCA NOTE PCA notes this now applies on its face to Small and Express loans, not only Standard and CAPLines.

Lender

21 7(a) Small and SBA Express

UNCHANGED · LOW IMPACT

Credit standards and processing method

SOP 50 10 8 through 9/30/2026

Cash flow is the primary source of repayment; lenders may use their own forms; 7(a) Small may be non delegated or PLP; SBA Express only under Express authority, with SBA reviewing the analysis at purchase or oversight.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C and ¶ C.1, pp. 167 to 168

SOP 50 10 8.1 from 10/1/2026

Same text.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C and ¶ C.1, pp. 127 to 128

PCA NOTE PCA notes no change.

Lender

22 7(a) Small underwriting

REMOVED HIGH IMPACT

SBSS score sunset

SOP 50 10 8 through 9/30/2026

"All 7(a) Small Loan applications will begin with a screening for a FICO Small Business Scoring Service Score (SBSS Score)." The minimum was 165, and an acceptable score satisfied the credit history, business strength, earnings and repayment ability tests.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.2.a.i.a) to c), pp. 168 to 169

SOP 50 10 8.1 from 10/1/2026

No SBSS screen. Lenders "must use appropriate, prudent, and generally accepted industry credit analysis processes and procedures consistent with those used for the Lender's similarly sized, non SBA guaranteed commercial loans to determine the Applicant's Credit History and Repayment Ability", which may include regulator permitted credit scoring models.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C.2.a.i, p. 128

PCA NOTE PCA sees the end of the score based fast lane. Approval for a small loan now turns on a lender's own credit work plus a hard cash flow test, so a borrower with a thin or weak score but good cash flow may qualify, and the reverse is also true.

Lender · Buyer · Broker Source notice: 5000-875701; 5000-876777; 5000-877673

23 7(a) Small underwriting

NEW MEDIUM IMPACT

Credit history analysis

SOP 50 10 8 through 9/30/2026

An acceptable SBSS score satisfied the requirement to consider credit history of the Applicant, Operating Company, Associates and guarantors.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.2.a.i.c), p. 169

SOP 50 10 8.1 from 10/1/2026

The credit memo must analyze credit reports of the Applicant, Associates and guarantors and discuss any issues; for non delegated loans lenders "should include a copy of the credit report, dated within 90 days." A combined scoring model is allowed if permitted by the primary Federal regulator, used on similar non SBA loans, and not solely reliant on consumer scores; the score and acceptable approval range must be stated in the memo. An SBLC may use scoring and SBA may ask to review its model.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C.2.a.ii.a), pp. 128 to 129

PCA NOTE PCA advises borrowers to clean up credit report issues before applying, since each derogatory item now has to be discussed in writing rather than absorbed into a single score.

Lender · Buyer Source notice: 5000-876777

24 7(a) Small underwriting

NEW HIGH IMPACT

Minimum DSCR of 1.10

SOP 50 10 8 through 9/30/2026

No stated minimum debt service coverage; repayment ability was deemed addressed by an acceptable SBSS score plus the lender's credit memo.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.2.a.i.c) and e), p. 169

SOP 50 10 8.1 from 10/1/2026

"For 7(a) Small Loans, the Applicant's debt service coverage ratio must be equal to or greater than 1.10:1 on either a historical or projected basis." DSCR is OCF (EBITDA, with the add backs allowed in Ch. 1) divided by future principal and interest on all business debt including the new SBA loan.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C.2.a.ii.b).ii), p. 129

PCA NOTE PCA sees 1.10 as a low bar next to Standard 7(a) (1.15), but it is now a firm floor. Borrowers should know their EBITDA and full debt schedule before applying; add backs follow the Chapter 1 rules.

Buyer · Lender · Broker Source notice: 5000-876777

25 7(a) Small underwriting

NEW MEDIUM IMPACT

How DSCR is measured

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

DSCR must be calculated from one of: (i) last year end statement (tax return, internal or accountant prepared) dated and received within 120 days of year end; (ii) last year end plus interim statements dated within 120 days of submission, confirming no decline; or (iii) 12 month projections with assumptions showing at least 1.10:1 within one year of funding. The projection method "is not applicable to change of ownership transactions", which follow Appendix 15.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C.2.a.ii.b).ii).(b), pp. 129 to 130

PCA NOTE PCA suggests existing businesses have a current year end statement ready; one older than 120 days after year end will not qualify under option (i).

Lender · Buyer Source notice: 5000-876777

26 7(a) Small underwriting

NEW · MEDIUM IMPACT

Two months of bank statements

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

Lenders must obtain and analyze "the two most recent months of commercial bank activity or statements on the primary operating account" to confirm all business debts are in the DSCR, and keep them in the file. Exceptions: an Applicant not yet operating with no commercial debts, and an Initial Acquisition change of ownership with no debts beyond the 7(a) loan. A good DSCR plus the bank review satisfies the repayment ability test.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C.2.a.ii.b).i) and iii) to iv), pp. 129 to 130

PCA NOTE PCA notes the bank statement review is meant to catch undisclosed debt such as MCA debits. Borrowers with daily or weekly ACH pulls should disclose them up front.

Lender · Buyer Source notice: 5000-876777

27 7(a) Small underwriting

TIGHTENED · MEDIUM IMPACT

If the loan fails the test

SOP 50 10 8 through 9/30/2026

"If the Applicant does not receive an acceptable SBSS credit score, the loan must be processed following the procedures for Standard 7(a) Loans", or through SBA Express.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.2.a.i.d), p. 169

SOP 50 10 8.1 from 10/1/2026

"If the Applicant does not meet or exceed the required debt service coverage ratio, the loan must be processed following the procedures for either Standard 7(a) or SBA Express Loans."

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C.2.a.ii.b).v), p. 130

PCA NOTE PCA notes the fallback lanes are the same but the trigger is now cash flow. Since Standard 7(a) requires 1.15, a borrower below 1.10 realistically lands in SBA Express at a 50% guaranty, if at all.

Lender · Buyer · Broker Source notice: 5000-876777

28 7(a) Small underwriting

UNCHANGED · LOW IMPACT

Loan increases above $350,000

SOP 50 10 8 through 9/30/2026

"If the 7(a) Small loan is increased above $350,000, it becomes a Standard 7(a) loan"; SBA Express loans may not exceed $500,000.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.2 (Note), p. 168

SOP 50 10 8.1 from 10/1/2026

Same note.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C.2 (Note), p. 128

PCA NOTE PCA notes no change; the notice restated it.

Lender Source notice: 5000-876777

29 7(a) Small underwriting

CLARIFIED MEDIUM IMPACT

Credit memorandum contents

SOP 50 10 8 through 9/30/2026

The memo had to include a brief business description and history, justification when 50% or more of proceeds over $50,000 is working capital, a description of the management team (and new management experience on a change of ownership), owner and guarantor analysis including personal financial statements, why credit is not available elsewhere, collateral, insurance, and other specifics (seller financing, liens, franchise, refinancing, affiliates).

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.2.a.i.e), pp. 169 to 170

SOP 50 10 8.1 from 10/1/2026

"In addition to summarizing the operating business, ownership, and loan request, the Lender's credit memorandum must state why credit is not available elsewhere" and include credit history, repayment ability, insurance, and other specifics (collateral, the 50% working capital justification, seller financing and standby terms, liens and litigation, franchise and management agreements, refinancing, affiliates). The management team and owner and guarantor analysis items are no longer listed separately.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C.2.a.ii, pp. 128 to 131

PCA NOTE PCA expects most lenders to keep a management section anyway, since character and experience still drive credit decisions and Appendix 15 covers acquisitions.

Lender   Source notice: 5000-876777

30 7(a) Small underwriting

UNCHANGED MEDIUM IMPACT

Start up equity

SOP 50 10 8 through 9/30/2026

A business operating 1 year or less needs an equity injection of at least 10 percent of total project costs (excluding lines of credit and 504 loans); loans approved more than 90 days apart are separate projects.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.2.a.ii.b).i), p. 170

SOP 50 10 8.1 from 10/1/2026

Same 10 percent rule. The cross reference for documenting equity is now Ch. 6, Para. D.3.f.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C.2.a.iii.b).i), p. 131

PCA NOTE PCA notes no change for start ups.

Buyer · Lender

31 7(a) Small underwriting

MOVED　HIGH IMPACT

Change of ownership equity moved

SOP 50 10 8 through 9/30/2026

For a complete change of ownership, at least 10 percent of total project costs, with seller debt counting only if on full standby for the life of the loan and no more than half the injection; an expansion exception for same 6 digit NAICS, identical ownership and same geographic area; and partner buyout tests (24 months of participation, 9:1 debt to worth, or a cash injection).

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.2.a.ii.b).ii), pp. 170 to 172

SOP 50 10 8.1 from 10/1/2026

"Changes of ownership: See Appendix 15: 7(a) Changes of Ownership." No change of ownership equity rules remain in Chapter 2.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C.2.a.iii.b).ii), p. 131; App. 15, p. 342

PCA NOTE PCA suggests buyers and brokers use Appendix 15 for equity and seller note rules on every acquisition, whatever the loan size. Partial change of ownership points are outside this summary.

Buyer · Seller · Lender　Source notice: 5000-872764

32 7(a) Small underwriting

TIGHTENED　MEDIUM IMPACT

Prepaid expenses as equity

SOP 50 10 8 through 9/30/2026

"Prepaid expenses that the Lender has verified by obtaining paid invoices, canceled checks, or bank statements" could count as equity.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.2.a.ii.c).vi), p. 172

SOP 50 10 8.1 from 10/1/2026

Only "Eligible prepaid expenses" count, and "Expenses related to education, advisory servicers, or fees paid by the Applicant to an Agent are not eligible prepaid expenses and are not considered equity."

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C.2.a.iii.c).vi)(a), p. 132

PCA NOTE PCA notes that fees a buyer pays to a broker, packager, advisor or acquisition course no longer count toward the equity injection. Buyers should budget equity on top of those costs.

Buyer · Broker · Lender

33 7(a) Small underwriting

CLARIFIED　MEDIUM IMPACT

Investor money with repayment rights

SOP 50 10 8 through 9/30/2026

Equity could include an investment not subject to repayment or distributions before guaranty release. "Whether called search funding or by some other name", SBA treats any investment with such an agreement (for example certain redeemable preferred stock) as debt.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.2.a.ii.c).vii), p. 172

SOP 50 10 8.1 from 10/1/2026

Same rule, but the reference to "search funding" is deleted: "SBA will considers any investment subject to an agreement to repay equity or make distributions to recover an investor's investment prior to release of the guaranty ... to be debt and not equity."

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C.2.a.iii.c).vii), p. 132

PCA NOTE PCA reads the substance as unchanged: searchers and independent sponsors still need investor terms with no redemption or return of capital before the guaranty is released for that money to count as equity. The softer wording is not a green light for preferred returns.

Buyer · Lender · Broker

34 SBA Express underwriting

UNCHANGED LOW IMPACT

Lender judgment and scoring

SOP 50 10 8 through 9/30/2026

Lenders use their own prudent credit processes (which may include scoring), must not make a loan available elsewhere on reasonable terms, must show reasonable assurance of repayment, may use validated business scoring models not solely based on consumer scores, and decide equity and past bankruptcy questions in their own judgment.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.2.b, pp. 172 to 173

SOP 50 10 8.1 from 10/1/2026

Same text; the credit elsewhere cross reference now points to Section A, Ch. 1, Para. H. PN 5000-875701 confirmed SBA Express was not affected by the SBSS sunset.

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C.2.b, pp. 132 to 133

PCA NOTE PCA notes Express keeps its lender judgment model and has no SBA set DSCR floor, which is why it is the fallback for small loans that miss 1.10.

Lender Source notice: 5000-875701

35 7(a) Small and SBA Express collateral

MOVED MEDIUM IMPACT

Collateral moved to Appendix 19

SOP 50 10 8 through 9/30/2026

Chapter 2 ¶ C.3 held the full 7(a) Small and Express collateral, appraisal and business valuation rules.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.3, pp. 174 to 182

SOP 50 10 8.1 from 10/1/2026

"See Appendix 19: 7(a) Collateral Requirements Para. B.2-3." General rules (refinance collateral, piggyback, adequacy, appraisal standards) are in Appendix 19 ¶ A; program rules in ¶ B.2 (7(a) Small) and ¶ B.3 (Express).

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ C.3, p. 133; App. 19, pp. 381 to 385

PCA NOTE PCA suggests lenders update collateral checklists to Appendix 19 references.

Lender · Buyer

36 7(a) Small and SBA Express collateral

MOVED MEDIUM IMPACT

7(a) Small minimum collateral

SOP 50 10 8 through 9/30/2026

No collateral required at $50,000 or less. Above $50,000: first lien on assets financed; when 50% or more of proceeds is working capital, a lien on all business fixed assets including real estate up to fully secured (improved real estate at 85%, unimproved at 50%; no lien needed when equity is under 25%).

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.3.a.ii to iv, pp. 174 to 175

SOP 50 10 8.1 from 10/1/2026

Same core rules in Appendix 19 ¶ B.2.b and ¶ B.2.c, including the 85% and 50% real estate values and the 25% equity exception.

SOP 50 10 8.1, App. 19, ¶ B.2.b to c, pp. 383 to 384

PCA NOTE PCA notes no change to the basic collateral ask on small loans.

Lender · Buyer

37 7(a) Small and SBA Express collateral

REMOVED · MEDIUM IMPACT

Equipment, furniture, trading asset and vehicle rules

SOP 50 10 8 through 9/30/2026

For the fully secured test: new equipment at up to 75% of price; used equipment at 50% of net book value or 80% of orderly liquidation value; furniture and fixtures at 10%; trading assets at no more than 10% of book value if taken. No lien required on vehicles already liened or valued at $20,000 or less.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.3.a.iv.a) and b), pp. 174 to 175

SOP 50 10 8.1 from 10/1/2026

Appendix 19 ¶ B.2 refers to "the valuation limits set forth in this Appendix" and to a vehicle exception, but Appendix 19 only states the real estate limits. The equipment, furniture, trading asset and $20,000 vehicle rules now appear only in the change of ownership collateral section of Appendix 15.

SOP 50 10 8.1, App. 19, ¶ B.2.c, p. 384; App. 15 collateral, p. 360

PCA NOTE PCA reads this as a drafting gap rather than a policy change. Lenders will likely keep using the old discounts until SBA clarifies, and should document which values they applied.

Lender

38 7(a) Small and SBA Express collateral

CLARIFIED · LOW IMPACT

Refinance collateral and lien priority

SOP 50 10 8 through 9/30/2026

When a 7(a) Small loan refinances debt, it must have at least the same collateral and lien priority; excess collateral may be released if the loan stays fully secured; comparable substitute collateral allowed.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.3.a.iii, p. 174

SOP 50 10 8.1 from 10/1/2026

Same rule for 7(a) Small in ¶ B.2.c.iii. The general rule in ¶ A.1.b adds "except for trading assets."

SOP 50 10 8.1, App. 19, ¶ A.1.b and ¶ B.2.c.iii, pp. 381 and 384

PCA NOTE PCA notes the trading asset carve out lets a borrower keep receivables and inventory free for a working capital line.

Lender

39 7(a) Small and SBA Express collateral

MOVED · LOW IMPACT

Piggyback and adequacy

SOP 50 10 8 through 9/30/2026

No piggyback structures (loans within 90 days where the SBA loan is junior); working capital pairs secured only by trading assets and pari passu liens with maturities not shorter are not piggyback; loans not declined solely for weak collateral; review deed restrictions, engineering controls; environmental indemnities running with land not allowed.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.3.a.v and ¶ C.3.b.v, pp. 176 to 177

SOP 50 10 8.1 from 10/1/2026

Same rules consolidated in Appendix 19 ¶ A.1.c.

SOP 50 10 8.1, App. 19, ¶ A.1.c, pp. 381 to 382

PCA NOTE PCA notes no change.

Lender

40 7(a) Small and SBA Express collateral

CLARIFIED LOW IMPACT

SBA Express collateral

SOP 50 10 8 through 9/30/2026

No collateral at $50,000 or less. Above $50,000 the lender must, "to the maximum extent practicable, follow the written collateral policies" it uses on similar non SBA loans.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.3.b, p. 177

SOP 50 10 8.1 from 10/1/2026

No collateral at $50,000 or less. Above $50,000 the lender "must follow the General Requirements in this Appendix but may use its own collateral policies and procedures ... in place of SBA's detailed collateral procedures, unless another SBA Express specific requirement applies."

SOP 50 10 8.1, App. 19, ¶ B.3, p. 385

PCA NOTE PCA notes Express keeps lender policy collateral, with the Appendix 19 general rules (refinance lien priority, no piggyback) as the floor.

Lender

41 7(a) Small and SBA Express collateral

REMOVED MEDIUM IMPACT

Commercial real estate appraisals

SOP 50 10 8 through 9/30/2026

For 7(a) Small and Express loans secured by commercial real estate, an appraisal was required for close relationship deals or when needed to judge credit; otherwise an evaluation consistent with interagency guidance sufficed. Detailed rules covered as completed values for construction, no value for rental income or intangibles, appraisal at closing with an estimate, and the 90% of estimate test before closing.

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.3.c.i, pp. 178 to 180

SOP 50 10 8.1 from 10/1/2026

Appendix 19 ¶ A.1.d sets appraisal standards (USPAP, State licensed or certified, certified above $1,000,000, dated within 12 months, lender as client) "when an appraisal is required under the applicable loan program section", but the 7(a) Small and Express sections do not say when. The evaluation option, construction, rental income and 90% rules are not restated for 7(a). Appendix 20 lists an appraisal whenever real estate is purchased with proceeds.

SOP 50 10 8.1, App. 19, ¶ A.1.d, p. 382; App. 20, ¶ A.1.j, p. 392

PCA NOTE PCA expects lenders to order full appraisals on any real estate purchase and to keep using evaluations only where their regulator allows. Buyers should budget for an appraisal on small real estate deals.

Lender · Buyer · Seller

42 7(a) Small and SBA Express collateral

MOVED · MEDIUM IMPACT

Business valuations on acquisitions

SOP 50 10 8 through 9/30/2026

Chapter 2 set the change of ownership business valuation rules for 7(a) Small and Express ($250,000 threshold for an independent Qualified Source, special purpose property rules, timing, cap on proceeds at the valuation, verification against seller transcripts).

SOP 50 10 8, Sec. B, Ch. 2, ¶ C.3.c.iv, pp. 180 to 182

SOP 50 10 8.1 from 10/1/2026

"When loan proceeds will finance a change of ownership, the Lender must comply with the business valuation and appraisal requirements ... in Appendix 15."

SOP 50 10 8.1, App. 19, ¶ A.1.e, p. 382; App. 20, ¶ A.1.k.ii, p. 392

PCA NOTE PCA advises using Appendix 15 for valuation thresholds on every acquisition; the change of ownership cluster covers the details.

Buyer · Seller · Lender · Broker

43 7(a) Small and SBA Express submission

MOVED · LOW IMPACT

Submission rules moved

SOP 50 10 8 through 9/30/2026

Chapter 2 ¶ D held submission rules, document lists, where to submit, and reconsideration.

SOP 50 10 8, Sec. B, Ch. 2, ¶ D, pp. 182 to 188

SOP 50 10 8.1 from 10/1/2026

"See Appendix 20: Submission of Application for Guaranty."

SOP 50 10 8.1, Sec. B, Ch. 2, ¶ D, p. 133; App. 20, pp. 390 to 393

PCA NOTE PCA notes packaging checklists should now follow Appendix 20.

Lender · Broker

44 7(a) Small and SBA Express submission

TIGHTENED · HIGH IMPACT

Document list for Small and Express

SOP 50 10 8 through 9/30/2026

7(a) Small had a short list (1919 data, credit memo, owner financial statements, and deal specific items). SBA Express was lighter still: financial statements and tax returns only as the lender's own policy required, and transcripts for filing and size only when the lender did not use business financials (for example with credit scoring).

SOP 50 10 8, Sec. B, Ch. 2, ¶ D.1.b and c, pp. 184 to 187

SOP 50 10 8.1 from 10/1/2026

Appendix 20 ¶ B.1: for "Standard 7(a) Loans, 7(a) Small Loans, Express, Export Express and MARC Loans" all general requirements apply with "No additional program specific exceptions." The general list includes tax transcripts plus 3 years of business financial statements or returns and interims; for start ups and changes of ownership, projections showing DSC of at least 1.15 within 2 years; leases; equipment quotes; listings of assets purchased and collateral.

SOP 50 10 8.1, App. 20, ¶ A.1 and ¶ B.1, pp. 390 to 393

PCA NOTE PCA reads this as a heavier file for Express and Small loans, at least on paper, and a possible conflict with the 1.10 DSCR and 12 month projection method in Chapter 2. Brokers should prepare a full package on small deals and confirm with the lender which standard it applies.

Lender · Buyer · Broker

45 7(a) Small and SBA Express submission

TIGHTENED MEDIUM IMPACT

Age of personal financial statements

SOP 50 10 8 through 9/30/2026

Owner financial statements for 20% owners and guarantors signed and dated "within 120 days of submission to SBA."

SOP 50 10 8, Sec. B, Ch. 2, ¶ D.1.b.ii.c) and ¶ D.1.c.ii.d), pp. 184 and 187

SOP 50 10 8.1 from 10/1/2026

Owner Financial Statements (SBA Form 413 or equivalent) "signed and dated within 90 days of submission to SBA." Business financial statements stay at 120 days.

SOP 50 10 8.1, App. 20, ¶ A.1.c, p. 391

PCA NOTE PCA advises buyers to refresh personal financial statements if a deal slips; 90 days goes quickly between LOI and submission.

Buyer · Lender · Broker

46 7(a) Small and SBA Express submission

CLARIFIED LOW IMPACT

Ownership listing

SOP 50 10 8 through 9/30/2026

List 100% of direct and indirect ownership in E-Tran, combining ownership of married spouses and minor children.

SOP 50 10 8, Sec. B, Ch. 2, ¶ D.1, p. 183

SOP 50 10 8.1 from 10/1/2026

List 100% of ownership in the SBA Loan System and "the ownership percentages of all listed owners must equal 100%." Citizenship documentation now follows Section A, Ch. 1, Para. F (U.S. Nationals).

SOP 50 10 8.1, App. 20, ¶ A.1 and ¶ A.1.m, pp. 390 and 392

PCA NOTE PCA notes the citizenship rules are covered in the eligibility cluster.

Lender Source notice: 5000-876626

47 7(a) Small and SBA Express submission

MOVED LOW IMPACT

Questions and exceptions mailbox

SOP 50 10 8 through 9/30/2026

Delegated lenders sent loan specific questions and exception requests to 7aDelegatedLoanApps@sba.gov (Express lenders could not send questions there).

SOP 50 10 8, Sec. B, Ch. 2, ¶ D.1, pp. 182 to 183

SOP 50 10 8.1 from 10/1/2026

The mailbox rules are in the SOP introduction for all delegated lenders, and emails must now state the loan amount and delivery method.

SOP 50 10 8.1, Introduction, Exceptions to Policy, p. 11

PCA NOTE PCA notes a small process change for lenders.

Lender

48 7(a) Small and SBA Express submission

REMOVED · MEDIUM IMPACT

12 month bar after LGPC decline

SOP 50 10 8 through 9/30/2026

An application withdrawn, screened out or declined by the LGPC "may not be approved by any Lender under its PLP or SBA Express authority" for 12 months.

SOP 50 10 8, Sec. B, Ch. 2, ¶ D.2, pp. 187 to 188

SOP 50 10 8.1 from 10/1/2026

Not restated in Appendix 20 or elsewhere in SOP 50 10 8.1.

SOP 50 10 8.1, App. 20, ¶ A.2, p. 393

PCA NOTE PCA would not treat this as open season: E-Tran controls may still block resubmission, and lenders should ask SBA before taking a declined deal to delegated or Express processing.

Lender · Broker · Buyer

49 7(a) Small and SBA Express submission

CLARIFIED · LOW IMPACT

Reconsideration after decline

SOP 50 10 8 through 9/30/2026

For declined non delegated 7(a) Small (and CAPLine) applications: request reconsideration at the LGPC within 6 months; a second request goes to the D/FA, whose decision is final.

SOP 50 10 8, Sec. B, Ch. 2, ¶ D.3, p. 188; Sec. B, Ch. 3, ¶ D.2.c, p. 215

SOP 50 10 8.1 from 10/1/2026

One rule in Appendix 20 (captioned for Standard 7(a) but in the General Requirements): same 6 month window and D/FA second level, and "Any request submitted more than 120 days after the date of decline must include current financial statements."

SOP 50 10 8.1, App. 20, ¶ A.2.c, p. 393

PCA NOTE PCA suggests refreshing financials if a reconsideration is filed late.

Lender · Buyer

50 MARC (Manufacturers' Access to Revolving Credit)

NEW · HIGH IMPACT

New delivery method

SOP 50 10 8 through 9/30/2026

Not addressed. SOP 50 10 8 had no MARC program.

Not addressed

SOP 50 10 8.1 from 10/1/2026

New Chapter 3 creates the 7(a) MARC loan, a revolving working capital facility, first issued by procedural notice as Appendix 13 of SOP 50 10 8 and now a full chapter.

SOP 50 10 8.1, Sec. B, Ch. 3, pp. 135 to 143

PCA NOTE PCA sees MARC as a new tool for acquired manufacturers and distributors that need a sizable revolver alongside a term loan. It does not finance the purchase itself.

Lender · Buyer · Broker   Source notice: 5000-870260; 5000-872764

51 MARC

NEW HIGH IMPACT

Eligible industries

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

Eligible: manufacturing (NAICS 31 to 33); wholesale (NAICS 42) except 423110 (motor vehicle wholesalers) and 425120 (wholesale agents and brokers); and food supply chain (NAICS 11 plus 445110 supermarkets, 493120 refrigerated warehousing, 493130 farm warehousing), based on the primary 6 digit NAICS code.

SOP 50 10 8.1, Sec. B, Ch. 3, ¶ A, p. 135

PCA NOTE PCA notes the SOP goes beyond the original notice, which covered manufacturers only. Buyers of distributors and food supply businesses should check the target's primary NAICS code early.

Buyer · Lender · Broker Source notice: 5000-870260

52 MARC

NEW HIGH IMPACT

Uses of proceeds

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

Only working capital, or refinancing debt whose original purpose was working capital. Not allowed: other refinancing, changes of ownership, delinquent trust fund taxes, floor plan financing, or paying a creditor in a position to sustain a loss. "A 7(a) MARC loan may be made to a business at the same time as the change of ownership to support working capital needs."

SOP 50 10 8.1, Sec. B, Ch. 3, ¶ A.1 and A.2, pp. 135 to 136; App. 14, ¶ B.3, p. 339

PCA NOTE PCA suggests buyers of manufacturers consider pairing an Appendix 15 acquisition term loan with a MARC revolver at closing, keeping in mind the separate size and guaranty caps.

Buyer · Seller · Lender Source notice: 5000-870260

53 MARC

NEW HIGH IMPACT

Loan size and guaranty

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

Maximum loan $5,000,000 for manufacturers and $2,000,000 for other eligible industries, sized to meet the DSCR tests. Guaranty 85% up to $150,000 and 75% above, with a maximum guaranty of $3,750,000 for manufacturers and $1,500,000 for other industries, subject to affiliate aggregation.

SOP 50 10 8.1, Sec. B, Ch. 3, ¶ B.1 and B.2, p. 136; App. 16, ¶ B.3, p. 365

PCA NOTE PCA notes MARC guaranty counts toward the same $3,750,000 cap as the acquisition loan, which can limit the size of a combined term loan and revolver.

Lender · Buyer Source notice: 5000-870260

54 MARC

NEW MEDIUM IMPACT

Revolving structure and disbursements

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

"The loan must be a revolving loan"; revolving MARC loans may not be sold on the secondary market and must let the lender begin amortizing if post closing requirements are not met. Lenders may run it as an open line, tier annual availability, or use a borrowing base certificate; a higher need after annual review can be met with a new loan or an increase under SOP 50 57.

SOP 50 10 8.1, Sec. B, Ch. 3, ¶ B.3 and B.4, p. 136

PCA NOTE PCA notes the SOP no longer offers the term loan version described in the original notice. Borrowers should negotiate the disbursement method, since a borrowing base means monthly reporting.

Lender · Buyer Source notice: 5000-870260

55 MARC

NEW MEDIUM IMPACT

Maturity

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

Maximum maturity 20 years: up to 10 years revolving, then conversion to a fully amortizing loan of up to 10 more years; term out at least as long as the draw period; renewable annually within the 10 year revolving limit; not subject to the subsidy recoupment fee; extra guaranty fee if a 12 month loan is extended past 12 months.

SOP 50 10 8.1, App. 17, ¶ B.4, p. 368

PCA NOTE PCA sees an unusually long revolving window for SBA credit, which fits a manufacturer's working capital cycle.

Lender · Buyer Source notice: 5000-870260

56 MARC

NEW LOW IMPACT

Interest rates

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

Standard 7(a) maximums apply (Prime or Peg plus 6.5%, 6.0%, 4.5% or 3.0% by size), including Alternative Base Rates.

SOP 50 10 8.1, Sec. B, Ch. 3, ¶ B.7, p. 137; App. 18, ¶ B.4, p. 379

PCA NOTE PCA notes no special rate rules.

Lender · Buyer Source notice: 5000-875051

57 MARC

NEW MEDIUM IMPACT

Processing authority

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

Non delegated lenders submit through the SBA Loan System; "Lenders with PLP delegated authority are required to process 7(a) MARC loans using their PLP authority." Loans must be flagged as MARC in the SBA Loan System.

SOP 50 10 8.1, Sec. B, Ch. 3, ¶ C.1, p. 137 and ¶ E to F, p. 142

PCA NOTE PCA notes a PLP bank cannot send a MARC loan to the LGPC for a second look.

Lender Source notice: 5000-870260

58 MARC

NEW | HIGH IMPACT

Underwriting and DSCR

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

Existing businesses: 3 years of statements plus interims; historical DSC of at least 1.15:1 and global DSC of at least 1.0:1, on a fully amortizing term of no more than 10 years using the maximum loan amount. If history falls short, and for start ups, new businesses and changes of ownership, 2 years of projections must show 1.15:1 within one year of disbursement, global 1:1, and a quarterly cash flow for 24 months.

SOP 50 10 8.1, Sec. B, Ch. 3, ¶ C.2.a, pp. 138 to 141

PCA NOTE PCA notes the SOP is stricter than the original notice (1:1 with a 2 year breakeven). Testing the full line as a 10 year amortizing loan is conservative, so size the line to real need.

Lender · Buyer Source notice: 5000-870260

59 MARC

NEW | MEDIUM IMPACT

Equity

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

Lender (PLP) or SBA (non delegated) judges equity and pro forma debt to worth; "Unlike Standard 7(a) and 7(a) Small loans, 7(a) MARC loans do not have a minimum required equity injection based on use of proceeds."

SOP 50 10 8.1, Sec. B, Ch. 3, ¶ C.2.b, p. 141

PCA NOTE PCA notes a MARC line itself does not trigger a 10 percent injection, though the acquisition loan in the same deal still will.

Buyer · Lender Source notice: 5000-870260

60 MARC

NEW | MEDIUM IMPACT

Collateral

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

"The Lender must place a lien on all assets of the business through a UCC 1 filing" and "obtain a first lien on the trading assets of the business, including accounts receivable and inventory."

SOP 50 10 8.1, App. 19, ¶ B.4, p. 385; Sec. B, Ch. 3, ¶ C.3, p. 141

PCA NOTE PCA flags an intercreditor issue: an acquisition lender that also wants receivables and inventory will need to take a junior position behind the MARC line.

Lender · Buyer Source notice: 5000-870260

61 MARC

NEW · MEDIUM IMPACT

Lender fees

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

At annual review the lender may charge an extraordinary servicing fee of up to 50 basis points on the maximum loan amount (not on termed out loans). If run as an asset based line, it may instead charge up to 2% a year on the outstanding balance, regardless of its non SBA practice, but only one category. SBA grants a blanket waiver of prior written approval for these fees.

SOP 50 10 8.1, Sec. B, Ch. 3, ¶ D, p. 142

PCA NOTE PCA advises borrowers to price the unused line: 50 basis points on the full commitment is due whether or not the line is drawn.

Lender · Buyer Source notice: 5000-870260

62 MARC

NEW · HIGH IMPACT

Annual review and term out

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

Beginning no later than 24 months from approval, an annual review (assuming full use of the line) must show DSC of at least 1.10:1 on a fully amortizing basis, no bankruptcy filings, current payment status, and sufficient collateral. If not met, the line must convert to a fully amortizing term loan with no further draws; the lender may term it out anytime on prudent lending grounds, and may term out any portion used for fixed assets.

SOP 50 10 8.1, Sec. B, Ch. 3, ¶ G, pp. 142 to 143

PCA NOTE PCA sees this as the main risk for borrowers: a weak year can turn the revolver into a 10 year term loan and end availability. Buyers should model the 1.10 test at full line usage.

Lender · Buyer Source notice: 5000-870260

63 MARC

NEW · LOW IMPACT

Servicing options

SOP 50 10 8 through 9/30/2026

Not addressed.

Not addressed

SOP 50 10 8.1 from 10/1/2026

Lenders follow SOP 50 57 and may extend maturity by up to 10 years to keep a borrower current or cure a delinquency (converting to fully amortizing), and may defer revolving loan payments for up to 6 months.

SOP 50 10 8.1, Sec. B, Ch. 3, ¶ H, p. 143

PCA NOTE PCA notes these tools give some room in a downturn.

Lender · Buyer Source notice: 5000-870260

64 CAPLines

MOVED　LOW IMPACT

Renumbering

SOP 50 10 8 through 9/30/2026

CAPLines was Section B, Chapter 3.

SOP 50 10 8, Sec. B, Ch. 3, p. 189

SOP 50 10 8.1 from 10/1/2026

CAPLines is now Section B, Chapter 4; loan terms, collateral and submission details moved to Appendices 14 and 16 to 20.

SOP 50 10 8.1, Sec. B, Ch. 4, p. 145

PCA NOTE PCA suggests updating any internal references to CAPLines chapter numbers.

Lender · Broker

65 CAPLines

CLARIFIED　LOW IMPACT

No change of ownership financing

SOP 50 10 8 through 9/30/2026

"CAPLines cannot be used to finance a change of ownership" appeared in the chapter introduction.

SOP 50 10 8, Sec. B, Ch. 3, ¶ A (introduction), p. 189

SOP 50 10 8.1 from 10/1/2026

The sentence is dropped from the introduction, but Section A still says change of ownership is not an eligible use for CAPLines, and Contract CAPLines still list it as ineligible.

SOP 50 10 8.1, Sec. B, Ch. 4, ¶ A, p. 145; Sec. A, Ch. 2 (introduction), p. 41

PCA NOTE PCA reads no change in substance: a CAPLine can support working capital after closing but cannot fund the purchase.

Buyer · Lender

66 CAPLines

TIGHTENED　LOW IMPACT

Exporter uses of Working Capital CAPLines

SOP 50 10 8 through 9/30/2026

Proceeds could be used for "domestic to foreign exports, foreign to foreign exports, and indirect exports."

SOP 50 10 8, Sec. B, Ch. 3, ¶ A.1.b.ii, p. 189

SOP 50 10 8.1 from 10/1/2026

Proceeds may be used for "Domestic to Foreign Exports, and Foreign to Foreign Exports"; indirect exports are no longer listed.

SOP 50 10 8.1, Sec. B, Ch. 4, ¶ A.1.b.ii, p. 145

PCA NOTE PCA suggests suppliers that sell to exporters, rather than exporting directly, confirm eligibility with the lender.

Lender · Buyer

67 CAPLines

LOOSENED · MEDIUM IMPACT

Working Capital CAPLine refinancing

SOP 50 10 8 through 9/30/2026

A lender "may not use delegated authority to refinance same institution debt"; SBA guaranteed same institution revolving debt had to go non delegated. Only short term revolving debt could be refinanced (not term debt, not debt already on reasonable terms), with tax return and use of proceeds tests and a 90 day default presumption for same institution debt.

SOP 50 10 8, Sec. B, Ch. 3, ¶ A.1.b.iii, pp. 189 to 191

SOP 50 10 8.1 from 10/1/2026

Moved to Appendix 14 ¶ B.4: proceeds "may only refinance existing short term revolving debt", which must be terminated, with sufficient borrowing base or collateral, the 90 day default presumption kept, and same lien priority. The general Appendix 14 rule now lets SID be refinanced under PLP authority.

SOP 50 10 8.1, Sec. B, Ch. 4, ¶ A.1.b.iii, p. 145; App. 14, ¶ A.4 and ¶ B.4, pp. 336 and 339

PCA NOTE PCA notes a bank can now move its own conventional revolver into a guaranteed CAPLine under delegated authority, but an early default still puts the guaranty at risk.

Lender · Buyer

68 CAPLines

CLARIFIED · LOW IMPACT

Working Capital CAPLine line size

SOP 50 10 8 through 9/30/2026

The maximum line was set by the lender's own policy or by a formula (prior year net sales divided by 365, times days in the sales cycle).

SOP 50 10 8, Sec. B, Ch. 3, ¶ B.1.c, p. 195

SOP 50 10 8.1 from 10/1/2026

The policy or formula method applies to lines "not administered through the use of a Borrowing Base Certificate"; for BBC lines "the Lender may determine the line size based on the availability of collateral and the Borrower's expected working capital need." Maximum loan stays $5,000,000.

SOP 50 10 8.1, Sec. B, Ch. 4, ¶ B.1.a and c, p. 149

PCA NOTE PCA notes asset based CAPLines can be sized off the borrowing base.

Lender

69 CAPLines

CLARIFIED · LOW IMPACT

Contract CAPLine loan amount

SOP 50 10 8 through 9/30/2026

Loan amount equals the sum of contract costs "(excluding profit)" per the project cost schedule, for single and multiple contract lines.

SOP 50 10 8, Sec. B, Ch. 3, ¶ B.1.d, p. 195

SOP 50 10 8.1 from 10/1/2026

Same formulas, but the words "(excluding profit)" are deleted. Proceeds still may not be used "to cover any mark up or profit."

SOP 50 10 8.1, Sec. B, Ch. 4, ¶ B.1.d, p. 149

PCA NOTE PCA reads this as a wording cleanup; profit still cannot be financed.

Lender

70 CAPLines

MOVED · LOW IMPACT

Guaranty, maturity and interest moved

SOP 50 10 8 through 9/30/2026

CAPLines had its own guaranty ($3,750,000; 85% or 75%; 90 day combination), maturity (10 years for Working Capital, Contract and Seasonal with renewals up to 120 months; Builders 60 months plus construction; exit strategy) and interest rate sections.

SOP 50 10 8, Sec. B, Ch. 3, ¶ B.2 to B.4, pp. 196 to 201

SOP 50 10 8.1 from 10/1/2026

Same substance, now in Appendix 16 ¶ B.4, Appendix 17 ¶ B.5 and Appendix 18 ¶ B.5. Alternative Base Rates (SOFR, 5 and 10 year Treasury) now also apply to CAPLines.

SOP 50 10 8.1, Sec. B, Ch. 4, ¶ B.2 to B.4, p. 150; App. 16 ¶ B.4, p. 365; App. 17 ¶ B.5, pp. 368 to 370; App. 18 ¶ B.5, p. 379

PCA NOTE PCA notes the pricing flexibility is new; the term limits are not.

Lender   Source notice: 5000-875051

71 CAPLines

UNCHANGED · MEDIUM IMPACT

Credit standards

SOP 50 10 8 through 9/30/2026

3 years of history plus interims; DSC of at least 1.15 historical or projected and 1:1 global; projections for new businesses showing positive cash flow within 2 years; pro forma balance sheet, ratios, working capital adequacy, insurance, and credit elsewhere analysis.

SOP 50 10 8, Sec. B, Ch. 3, ¶ C.2.a, pp. 202 to 205

SOP 50 10 8.1 from 10/1/2026

Same underwriting text; refinancing justification now references Appendix 14.

SOP 50 10 8.1, Sec. B, Ch. 4, ¶ C.2.a, pp. 151 to 153

PCA NOTE PCA notes no change to CAPLine credit tests.

Lender · Buyer

72 CAPLines

TIGHTENED · LOW IMPACT

Equity rules

SOP 50 10 8 through 9/30/2026

Start ups need 10 percent equity; prepaid expenses verified by invoices counted; investments with repayment rights before guaranty release ("whether called search funding" or otherwise) were debt.

SOP 50 10 8, Sec. B, Ch. 3, ¶ C.2.b, pp. 205 to 206

SOP 50 10 8.1 from 10/1/2026

Same, except only eligible prepaid expenses count and education, advisory and agent fees are excluded; the search funding wording is deleted with the same substance.

SOP 50 10 8.1, Sec. B, Ch. 4, ¶ C.2.b, pp. 153 to 154

PCA NOTE PCA notes the same equity edits made to 7(a) Small also apply to CAPLines.

Buyer · Lender

73 CAPLines

MOVED · MEDIUM IMPACT

Collateral moved

SOP 50 10 8 through 9/30/2026

No collateral at $50,000 or less. Working Capital: first lien on trading assets if BBC; otherwise a 1:1 collateral ratio with personal real estate of 20% owners if needed (liens limited to the shortfall and 150% of equity; none below 25% equity). Contract: first lien by assignment on contracts and proceeds. Builders: at least a second lien with release clauses and an 80% of value cap.

SOP 50 10 8, Sec. B, Ch. 3, ¶ C.3.a to d, pp. 206 to 208

SOP 50 10 8.1 from 10/1/2026

Same rules in Appendix 19 ¶ B.5; personal real estate is taken "subject to the limitations stated in this Appendix, including the rule that real estate with less than 25 percent equity need not be pledged."

SOP 50 10 8.1, Sec. B, Ch. 4, ¶ C.3, p. 155; App. 19, ¶ B.5, pp. 385 to 386

PCA NOTE PCA notes owners should still expect a lien on home equity for a non BBC line that business assets do not cover.

Lender · Buyer

74 CAPLines

REMOVED · LOW IMPACT

Real estate appraisals

SOP 50 10 8 through 9/30/2026

Loans over $500,000 secured by commercial real estate needed an appraisal by a State licensed or certified appraiser; at $500,000 or less, an appraisal for close relationship deals or an evaluation otherwise; plus construction, rental income and 90% of estimate rules.

SOP 50 10 8, Sec. B, Ch. 3, ¶ C.3.e, pp. 208 to 210

SOP 50 10 8.1 from 10/1/2026

Only the general Appendix 19 appraisal standards remain, which apply "when an appraisal is required under the applicable loan program section"; the CAPLines section does not set a threshold.

SOP 50 10 8.1, App. 19, ¶ A.1.d and ¶ B.5, pp. 382 and 385

PCA NOTE PCA expects lenders to keep the $500,000 practice until SBA fills the gap, especially on Builders CAPLines.

Lender

75 CAPLines

MOVED · LOW IMPACT

Extraordinary servicing fee

SOP 50 10 8 through 9/30/2026

Section A allowed fees above 2% for EWCP or Working Capital CAPLines disbursed on a BBC, if reasonable and not above the lender's non SBA fees.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.2.b.ii, pp. 65 to 66

SOP 50 10 8.1 from 10/1/2026

The same permission now sits in the CAPLines chapter, "at the time of the annual review", for Working Capital CAPLines disbursed on a BBC.

SOP 50 10 8.1, Sec. B, Ch. 4, ¶ D.1, p. 155

PCA NOTE PCA notes borrowers on asset based lines should expect a servicing fee at each annual review.

Lender · Buyer

76 CAPLines

REMOVED MEDIUM IMPACT

Application documents

SOP 50 10 8 through 9/30/2026

CAPLines had its own document list plus program specific items: a sample borrowing base or collateral calculation (Working Capital); seasonal history and a 12 month cash flow (Seasonal); a project cost schedule, income statement and the contracts (Contract); and cash flow plus mortgage lender, broker and inspector letters (Builders). A sample BBC was in Appendix 9.

SOP 50 10 8, Sec. B, Ch. 3, ¶ D.1.d, pp. 214 to 215

SOP 50 10 8.1 from 10/1/2026

CAPLines follow the Appendix 20 general list; the program specific application items and the Appendix 9 sample BBC reference are not restated.

SOP 50 10 8.1, App. 20, ¶ A.1 and ¶ B.2, pp. 390 to 393

PCA NOTE PCA expects lenders to keep asking for these items because underwriting still depends on them.

Lender · Broker

77 CAPLines

TIGHTENED LOW IMPACT

Owner financial statement age

SOP 50 10 8 through 9/30/2026

Owner financial statements dated within 120 days of submission.

SOP 50 10 8, Sec. B, Ch. 3, ¶ D.1.c, p. 213

SOP 50 10 8.1 from 10/1/2026

Within 90 days of submission, per Appendix 20.

SOP 50 10 8.1, App. 20, ¶ A.1.c, p. 391

PCA NOTE PCA notes the same 90 day rule applies across 7(a).

Buyer · Lender

78 CAPLines

REMOVED LOW IMPACT

Zero balance period

SOP 50 10 8 through 9/30/2026

Except for Seasonal CAPLines, no zero balance period was required; a clean up period was optional.

SOP 50 10 8, Sec. B, Ch. 3, ¶ D.1.e.i, p. 215

SOP 50 10 8.1 from 10/1/2026

Not restated; Seasonal CAPLines still refer to a 30 day clean up period at repayment.

SOP 50 10 8.1, App. 20, ¶ B.2.a.i, p. 393

PCA NOTE PCA sees little practical effect.

Lender

79 CAPLines

MOVED · LOW IMPACT

Seasonal, Contract and Builders closing rules

SOP 50 10 8 through 9/30/2026

Seasonal: disbursements during buildup, repayment as sales convert, monthly BBC if used. Contract: assignment of proceeds unless two of five exceptions apply, prime and subcontractor tests, performance bond and purchase order rules. Builders: recorded liens, inspected draws, repayment within 36 months of completion.

SOP 50 10 8, Sec. B, Ch. 3, ¶ D.3.a to c, pp. 216 to 219

SOP 50 10 8.1 from 10/1/2026

Same text in Appendix 20 ¶ B.2.a to c.

SOP 50 10 8.1, App. 20, ¶ B.2.a to c, pp. 393 to 397

PCA NOTE PCA notes no substantive change.

Lender

80 Working Capital CAPLines

TIGHTENED · MEDIUM IMPACT

BBC required at $2,000,000

SOP 50 10 8 through 9/30/2026

Lenders could disburse any Working Capital CAPLine on a BBC or on a 1:1 collateral ratio.

SOP 50 10 8, Sec. B, Ch. 3, ¶ D.3.d.i, p. 219

SOP 50 10 8.1 from 10/1/2026

The 1:1 option is available only "when the loan is less than $2,000,000. For Working Capital CAPLines equal to or greater than $2,000,000, loan proceeds must be administered through a BBC."

SOP 50 10 8.1, App. 20, ¶ B.2.d.i, p. 397

PCA NOTE PCA advises larger borrowers to plan for borrowing base reporting on lines of $2,000,000 or more.

Lender · Buyer

81 Working Capital CAPLines

LOOSENED · MEDIUM IMPACT

Receivable advance rates

SOP 50 10 8 through 9/30/2026

"The maximum advance rate cannot exceed 80% of the eligible receivables", up to 90% for assigned prime Federal contracts or insured foreign receivables.

SOP 50 10 8, Sec. B, Ch. 3, ¶ D.3.d, p. 222

SOP 50 10 8.1 from 10/1/2026

New rates: eligible domestic receivables 85%, eligible insured foreign receivables 90%, prime Federal contract receivables 90%. The old 80% sentence is also still printed in the same paragraph.

SOP 50 10 8.1, App. 20, ¶ B.2.d, p. 400

PCA NOTE PCA reads the new 85% figure as the intended rule, borrowed from the Working Capital Pilot guide, but the SOP contradicts itself. Lenders should confirm with SBA before advancing above 80%.

Lender · Buyer   Source notice: 5000-873246

82 Working Capital CAPLines

TIGHTENED MEDIUM IMPACT

Ineligible receivables

SOP 50 10 8 through 9/30/2026

Ineligible: invoices over 90 days past due, cross aged customers over 50% delinquent, rebilled accounts, uninsured foreign receivables, contra accounts, affiliate accounts, and bonded receivables.

SOP 50 10 8, Sec. B, Ch. 3, ¶ D.3.d, p. 221

SOP 50 10 8.1 from 10/1/2026

Adds a second list: receivables with terms over 180 days (unless supported by letters of credit or insurance), disputed or contingent accounts, amounts over an insured buyer's limit, buyers in countries SBA cannot deal with (EXIM Note 7), uncollectible or returned items, bill and hold, consignment and similar sales, and contra accounts reduced by the full payable.

SOP 50 10 8.1, App. 20, ¶ B.2.d, pp. 399 to 401

PCA NOTE PCA suggests borrowers with long terms or consignment sales expect a smaller borrowing base.

Lender · Buyer Source notice: 5000-873246

83 Working Capital CAPLines

TIGHTENED MEDIUM IMPACT

Inventory limits

SOP 50 10 8 through 9/30/2026

Inventory advance up to 50% (exceptions with SBA concurrence); finished goods and raw materials eligible, work in progress only with SBA concurrence.

SOP 50 10 8, Sec. B, Ch. 3, ¶ D.3.d, pp. 221 to 222

SOP 50 10 8.1 from 10/1/2026

Still 50%, but "No advances are permitted on inventory located outside the United States." New ineligible list: inventory without a perfected first lien, at undisclosed locations, outside the U.S., on consignment, demonstration units, software and spare parts not for resale, and damaged, obsolete or recalled goods.

SOP 50 10 8.1, App. 20, ¶ B.2.d, p. 402

PCA NOTE PCA notes businesses holding stock at foreign warehouses or with customers on consignment will see that inventory drop out of the base.

Lender · Buyer Source notice: 5000-873246

84 Working Capital CAPLines

NEW MEDIUM IMPACT

Annual and renewal credit review

SOP 50 10 8 through 9/30/2026

Annual credit review and site visit or field exam were part of monitoring, with no stated stop on further advances.

SOP 50 10 8, Sec. B, Ch. 3, ¶ D.3.d, pp. 223 to 224

SOP 50 10 8.1 from 10/1/2026

At least annually and at each renewal, the lender must get updated statements and document that the borrower is creditworthy, can repay from converting sales to cash, and complies with program rules; "If the Lender's analysis does not document that all three ... are met, no further disbursements may be made, and the loan may not be renewed."

SOP 50 10 8.1, App. 20, ¶ B.2.d, p. 403

PCA NOTE PCA sees a firmer annual gate: a weak year can freeze the line until the borrower recovers.

Lender · Buyer Source notice: 5000-873246

85 Working Capital CAPLines

LOOSENED · MEDIUM IMPACT

BBC frequency and collection

SOP 50 10 8 through 9/30/2026

A BBC was required "at least monthly", with monthly aging and inventory listings.

SOP 50 10 8, Sec. B, Ch. 3, ¶ D.3.d, pp. 222 and 224

SOP 50 10 8.1 from 10/1/2026

Lines of $2,000,000 or less need BBCs at least quarterly; above $2,000,000, at least monthly. BBCs are due no later than 30 days after month end; advances stop if a monthly BBC is 60 days late or a quarterly BBC is 30 days late. Collection may be suspended while the line is unused. The old "at least monthly" text is also still printed.

SOP 50 10 8.1, App. 20, ¶ B.2.d, p. 404

PCA NOTE PCA sees lighter reporting for smaller lines on paper, but the SOP keeps both rules. Lenders will likely set monthly reporting in loan documents until SBA reconciles them.

Lender · Buyer Source notice: 5000-873246

86 Working Capital CAPLines

NEW · MEDIUM IMPACT

Out of margin

SOP 50 10 8 through 9/30/2026

Not addressed beyond paying down the line as collections come in.

Not addressed

SOP 50 10 8.1 from 10/1/2026

If a BBC shows the loan out of margin or a BBC is missing, the lender must require an immediate paydown or added eligible collateral and document it. "No additional advances may be made against a line that is not In Margin" without SBA's prior written consent through 7aLoanMod@sba.gov, whether non delegated or PLP-WCP.

SOP 50 10 8.1, App. 20, ¶ B.2.d, pp. 405 to 406

PCA NOTE PCA advises borrowers to watch availability closely; an overadvance now needs SBA sign off to fix with new draws.

Lender · Buyer Source notice: 5000-873246

87 Working Capital CAPLines

CLARIFIED · LOW IMPACT

Funds control

SOP 50 10 8 through 9/30/2026

No controlled account needed if the lender held the borrower's "deposit accounts"; otherwise joint payee checks or a lockbox.

SOP 50 10 8, Sec. B, Ch. 3, ¶ D.3.d, p. 225

SOP 50 10 8.1 from 10/1/2026

Same, but tied to the borrower's "primary operating deposit accounts."

SOP 50 10 8.1, App. 20, ¶ B.2.d, p. 406

PCA NOTE PCA notes a borrower that keeps its main operating account elsewhere should expect a lockbox.

Lender

88 Working Capital CAPLines

REMOVED LOW IMPACT

Final disbursement and maturity options

SOP 50 10 8 through 9/30/2026

Final disbursement date set in E-Tran; draws after the last cash cycle began needed SBA approval unless tied to the annual review; no advances after maturity; options at maturity included renewal with or without the guaranty or a term out with SBA concurrence.

SOP 50 10 8, Sec. B, Ch. 3, ¶ D.3.d.ii, p. 225

SOP 50 10 8.1 from 10/1/2026

Not restated; only the general exit strategy rule remains in Appendix 17.

SOP 50 10 8.1, App. 17, ¶ B.5.c, p. 370

PCA NOTE PCA expects lenders to keep these practices in their loan agreements.

Lender

89 Working Capital Pilot

CLARIFIED MEDIUM IMPACT

Status of WCP in SOP 50 10 8.1

SOP 50 10 8 through 9/30/2026

WCP ran under its own program guide; SOP 50 10 8 did not describe it.

Not addressed

SOP 50 10 8.1 from 10/1/2026

There is no WCP chapter. WCP appears only in Section A fee rules (WCP and EWCP excluded from the 90 day upfront fee combination). Several WCP guide features (85% receivable advance, quarterly BBC under $2,000,000, BBC timing, out of margin consent, the PLP-WCP label) now appear in the Working Capital CAPLine rules. IN 5000-880695 does not list the WCP guide as integrated.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.1.a.ii, p. 63; App. 20, ¶ B.2.d, pp. 400 to 406

PCA NOTE PCA reads this as a partial merger of WCP ideas into Working Capital CAPLines, not a formal replacement. Lenders using WCP should keep following the current WCP Program Guide and confirm with SBA which document controls.

Lender · Buyer Source notice: 5000-873246; 5000-872051; 5000-872764

CHANGE LOG

Export Trade Finance, Closing and Disbursement

SOP 50 10 8.1 cuts the export chapter (now Section B, Chapter 5) from about 84 pages to 26 by moving refinancing, change of ownership, maturity, interest, collateral and submission rules into Appendices 14 to 20, but it also changes substance along the way. The International Trade loan gets deemed import injury eligibility for manufacturers, NAICS 21 mining and energy, and listed food supply chain industries (Policy Notices 5000-877629 and 5000-881477), a new $2 million working capital cap, and a new rule that it cannot fund Initial Acquisitions. EWCP adds field exams on asset based lines of $1 million or more, annual credit reviews that can freeze the line, BBC deadlines and In Margin rules, NAICS 722 exclusion, and SOFR pricing, while Export Express appears to lose change of ownership and several listed export activities. The closing chapter (now Chapter 6) is largely unchanged apart from the E-Tran to SBA Loan System rename, a stricter rule against unilateral post approval changes, and lien filing and recordation evidence tied to secondary market sales; Appendix 10 now allows electronic signature of Form 1088 and Appendix 12 adds a franchise mailbox.

UNCHANGED 19 · CLARIFIED 14 · MOVED 13 · TIGHTENED 12 · LOOSENED 7 · NEW 6

1 Export Trade Finance chapter

MOVED · LOW IMPACT

Structure and renumbering

SOP 50 10 8 through 9/30/2026

Export Trade Finance was Section B, Chapter 4 (about 84 pages) and repeated, program by program, the full rules on refinancing, changes of ownership, maturities, interest rates, collateral, appraisals and application contents.

SOP 50 10 8, Sec. B, Ch. 4, p. 227 to 311

SOP 50 10 8.1 from 10/1/2026

Export Trade Finance is now Section B, Chapter 5 (about 26 pages). Program text keeps eligibility, uses of proceeds, loan amounts and credit standards, and points to Appendices 14 (refinancing), 15 (changes of ownership), 16 (guaranty), 17 (maturity), 18 (interest), 19 (collateral) and 20 (submission, EWCP closing mechanics) for the rest.

SOP 50 10 8.1, Sec. B, Ch. 5, p. 156 to 181; App. 14 to 20

PCA NOTE PCA sees this as mostly a relocation, but several export specific rules were quietly changed in the move, so lenders should not assume the appendix text matches the old chapter word for word.

Lender · Buyer Source notice: 5000-880695

2 Export Express

UNCHANGED · LOW IMPACT

Eligibility, 12 months in operation

SOP 50 10 8 through 9/30/2026

Export Express is limited to businesses in operation at least 12 full months; younger applicants qualify only if key personnel have demonstrated export expertise and the lender uses conventional underwriting rather than relying solely on credit scoring. Non bank lenders without a conventional portfolio need OCRM written approval of their procedures.

SOP 50 10 8, Sec. B, Ch. 4, ¶ A.1, p. 229

SOP 50 10 8.1 from 10/1/2026

Same rule, same two conditions, same OCRM approval for non bank lenders.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ A.1, p. 157

PCA NOTE Nothing changes for a newly formed buyer entity: it still needs the experienced management and conventional underwriting route to use Export Express.

Buyer · Lender

3 Export Express

TIGHTENED · MEDIUM IMPACT

Eligible export development activities

SOP 50 10 8 through 9/30/2026

Eligible activities included (i) standby letters of credit for bid, performance or advance payment guarantees, (ii) participation in a foreign trade show, (vii) purchasing real estate or equipment used to produce export goods or services, (x) refinancing, (xi) financing indirect exports with documentation from the domestic customer, and (xii) change of ownership, in addition to translation, general export lines (at least 70% export use), service contracts, transaction financing, facility projects and term loans to develop foreign markets.

SOP 50 10 8, Sec. B, Ch. 4, ¶ A.1.a.i to xii, p. 229 to 230

SOP 50 10 8.1 from 10/1/2026

The list now has only: translation of brochures, a general export line of credit (at least 70% export use), foreign service contracts, transaction specific financing, acquiring or improving a U.S. production facility or equipment for export production, and term loans to develop foreign markets. Standby letters of credit, trade shows, real estate or equipment purchase as a standalone item, indirect exports and change of ownership no longer appear in the list.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ A.1.a.i to vi, p. 157

PCA NOTE PCA reads the shorter list as a narrowing; lenders relying on Export Express for trade show costs or standby letters of credit should confirm eligibility with SBA before closing, even though Appendix 19 still refers to Export Express lines that support standby letters of credit.

Buyer · Lender

4 Export Express

TIGHTENED HIGH IMPACT

Change of ownership

SOP 50 10 8 through 9/30/2026

Export Express proceeds could fund a complete change of ownership (100% stock or substantially all assets) if the buyer acquired real estate, a production facility or equipment used to produce goods for export, either buyer or seller was already exporting, and the deal enhanced export operations; business valuation, site visit and IRS verification of seller data were required and seller consulting was capped at 12 months.

SOP 50 10 8, Sec. B, Ch. 4, ¶ A.1.c, p. 231 to 233

SOP 50 10 8.1 from 10/1/2026

Paragraph c now says only "Change of Ownership: See Appendix 15," while the list of prohibited uses adds that Export Express proceeds may not be used to "Fund a Change of Ownership transaction. Please see Appendix 15 for rules on Change of Ownership financing." Appendix 15 contains no Export Express provision.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ A.1.c and ¶ A.1.d.iii, p. 158; App. 15

PCA NOTE PCA reads the new text as barring Export Express for acquisitions; buyers of exporting businesses should plan on Standard 7(a) or an International Trade loan (which itself cannot fund an Initial Acquisition) and ask lenders to confirm SBA's position before relying on Export Express.

Buyer · Lender · Seller · Broker   Source notice: 5000-880695

5 Export Express

LOOSENED MEDIUM IMPACT

Debt refinancing

SOP 50 10 8 through 9/30/2026

Export Express could refinance non SBA debt from another lender only if the existing debt no longer met the applicant's needs, payments dropped at least 10% (revolving debt exempt) and the lender verified the new loan would support export development. An Export Express lender could not refinance its own same institution debt or its own SBA loans under Export Express; those had to go non delegated as 7(a) Small or Standard 7(a). Merchant cash advances and factoring were ineligible.

SOP 50 10 8, Sec. B, Ch. 4, ¶ A.1.b, p. 230 to 231

SOP 50 10 8.1 from 10/1/2026

"All debt refinancing requirements for Export Express Loans are set forth above," meaning the general Appendix 14 rules apply. Those general rules allow same institution debt to be refinanced under PLP authority (but not to reduce the lender's exposure under 13 CFR 120.452), and allow a lender to refinance its own 7(a) loan delegated only when a secondary market investor will not agree to modified terms or an increase is not possible.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ A.1.b, p. 158; App. 14, ¶ A.4 and ¶ B.6, p. 335 to 340

PCA NOTE PCA expects Export Express lenders to gain some room to refinance their own conventional debt, but the export use documentation and the general payment improvement and current payment history tests still govern, so lenders should document both.

Lender · Buyer

6 Export Express

CLARIFIED LOW IMPACT

Prohibited uses

SOP 50 10 8 through 9/30/2026

Proceeds could not finance operations outside the U.S. (except marketing or distribution of U.S. exports) or refinance existing SBA guaranteed loans except as permitted in the Export Express refinancing paragraph.

SOP 50 10 8, Sec. B, Ch. 4, ¶ A.1.d, p. 233

SOP 50 10 8.1 from 10/1/2026

Same two prohibitions, with the SBA refinancing cross reference now pointing to Appendix 14 ¶ B.6, plus the new change of ownership prohibition. SBIC and New Markets debt and the trade payables clarification now sit in ¶ A.1.a.vii and viii.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ A.1.a.vii to viii and ¶ A.1.d, p. 158

PCA NOTE No practical change beyond the change of ownership point; foreign operations still cannot be funded.

Lender

7 Export Express

UNCHANGED LOW IMPACT

Country Limitation Schedule and OFAC checks

SOP 50 10 8 through 9/30/2026

When Export Express finances specific export transactions, the lender must check the Ex-Im Bank Country Limitation Schedule and OFAC lists; SBA Supervised Lenders check OFAC before first disbursement on each transaction; no loan to a business exporting to a Note 7 prohibited country.

SOP 50 10 8, Sec. B, Ch. 4, ¶ A.1.e, p. 233 to 234

SOP 50 10 8.1 from 10/1/2026

Same requirement, though the cross reference to the triggering activities now reads "Paragraph 1.a.i.v. or vi." because the activity list was renumbered.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ A.1.e, p. 158

PCA NOTE Lenders should keep running the Ex-Im and OFAC checks on every transaction specific advance; the garbled cross reference does not narrow the duty.

Lender

8 Export Express

UNCHANGED LOW IMPACT

Export documentation in file

SOP 50 10 8 through 9/30/2026

Borrower must document estimated export sales supported, product or service exported, how proceeds open or expand export markets, destination countries, and a 12 month export sales estimate.

SOP 50 10 8, Sec. B, Ch. 4, ¶ A.1.f, p. 234

SOP 50 10 8.1 from 10/1/2026

Identical five item documentation list.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ A.1.f, p. 158 to 159

PCA NOTE Borrowers should have a short export plan ready; it is still the core file document for Export Express.

Buyer · Lender

9 Export Express

UNCHANGED LOW IMPACT

Ineligible NAICS and amounts

SOP 50 10 8 through 9/30/2026

NAICS 721 and 457 ineligible for Export Express; maximum loan $500,000 gross; 90% guaranty up to $350,000 and 75% above; multiple loans within 90 days over $350,000 combined capped at 75%; $3,750,000 total SBA exposure.

SOP 50 10 8, Sec. B, Ch. 4, ¶ A.2 and ¶ A.3.a to b, p. 234 to 236

SOP 50 10 8.1 from 10/1/2026

Same limits, repeated in the chapter and in Appendix 16.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ A.2 and ¶ A.3.a to b, p. 159 to 160; App. 16, ¶ B.5, p. 365 to 366

PCA NOTE Export Express remains a $500,000 product with the best guaranty percentage at or below $350,000.

Lender · Buyer

10 Export Express

MOVED LOW IMPACT

Maturities

SOP 50 10 8 through 9/30/2026

Export Express lines up to 7 years including any term out, transactional lines cannot fund exports paid after maturity, no renewal fee, extra guaranty fee if maturity extends past 12 months; term loans follow the 10, 15 and 25 year rules for working capital, equipment and real estate.

SOP 50 10 8, Sec. B, Ch. 4, ¶ A.3.c, p. 236 to 238

SOP 50 10 8.1 from 10/1/2026

Line of credit rules are restated in Appendix 17; term loans follow the general maturity rules "No additional program specific exceptions."

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ A.3.c, p. 160; App. 17, ¶ B.6, p. 370

PCA NOTE Substance is unchanged; lenders should update internal cites to Appendix 17.

Lender

11 Export Express

MOVED LOW IMPACT

Interest rates

SOP 50 10 8 through 9/30/2026

Export Express maximum variable rates are Prime or Peg plus 6.5% (up to $50,000), 6.0% ($50,001 to $250,000), 4.5% ($250,001 to $350,000) and 3.0% (above $350,000); lender may use its own base rate if the loan is not sold; default rates allowed if used on conventional loans, with SBA paying only up to Standard 7(a) maximums.

SOP 50 10 8, Sec. B, Ch. 4, ¶ A.3.d, p. 238 to 244

SOP 50 10 8.1 from 10/1/2026

Same chart in the chapter; the lender own base rate and default rate exceptions move to Appendix 18, and the general rules (which now also recognize SOFR and 5 and 10 year Treasury alternative base rates) otherwise apply.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ A.3.d, p. 160; App. 18, ¶ B.6, p. 379

PCA NOTE Borrowers see the same caps; lenders can now tie a sellable Export Express loan to an alternative base rate permitted by 13 CFR 120.214(c).

Lender · Buyer Source notice: 5000-875051

12 Export Express

MOVED LOW IMPACT

Non financial default provisions

SOP 50 10 8 through 9/30/2026

Non financial default provisions allowed if substantive, agreed in writing at closing, consistent with conventional loans, not the sole basis for a purchase demand, and a maturity date is stated.

SOP 50 10 8, Sec. B, Ch. 4, ¶ A.3.c.ii, p. 238

SOP 50 10 8.1 from 10/1/2026

Same five conditions, now placed under underwriting.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ A.4.b.vii, p. 162 to 163

PCA NOTE No change in substance.

Lender

13 Export Express

UNCHANGED LOW IMPACT

Credit standards and credit scoring

SOP 50 10 8 through 9/30/2026

Delegated only; credit not available elsewhere analysis; lender's generally accepted procedures, with optional validated business credit scoring (not solely consumer scores); SBLCs validate annually; equity and bankruptcy judgments left to lender; franchise and management agreement review.

SOP 50 10 8, Sec. B, Ch. 4, ¶ A.4.a to b, p. 244 to 245

SOP 50 10 8.1 from 10/1/2026

Same text.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ A.4.a to b, p. 161 to 162

PCA NOTE Export Express keeps its SBA Express style underwriting flexibility.

Lender

14 Export Express

MOVED LOW IMPACT

Collateral

SOP 50 10 8 through 9/30/2026

No collateral required at $50,000 or less; above $50,000 lender follows its own conventional policy, except lines over $50,000 supporting standby letters of credit need cash, cash equivalent or project collateral covering at least 25% of the letter of credit; piggyback rules applied.

SOP 50 10 8, Sec. B, Ch. 4, ¶ A.4.c, p. 245 to 246

SOP 50 10 8.1 from 10/1/2026

Same $50,000 threshold, same conventional policy rule and same 25% standby letter of credit coverage, now in Appendix 19, with general Appendix 19 requirements otherwise applying.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ A.4.c, p. 163; App. 19, ¶ B.6, p. 386 to 387

PCA NOTE No change for borrowers; note the standby letter of credit collateral rule survives even though standby letters of credit dropped out of the eligible activity list.

Lender · Buyer

15 Export Express

MOVED MEDIUM IMPACT

Appraisals and business valuation

SOP 50 10 8 through 9/30/2026

Program text carried full appraisal rules (USPAP, 12 months, state certified over $1,000,000, 90% of estimate test with Export Express lenders allowed to close below 90% with written justification) and business valuation rules ($250,000 threshold for an independent Qualified Source, special purpose property rules, lender verification of valuation data against seller transcripts).

SOP 50 10 8, Sec. B, Ch. 4, ¶ A.4.d, p. 246 to 252

SOP 50 10 8.1 from 10/1/2026

Appraisal rules now follow Appendix 19 general requirements and change of ownership valuation follows Appendix 15.

SOP 50 10 8.1, App. 19, ¶ A.1.d to e, p. 381 to 383; App. 15, ¶ C.1

PCA NOTE Lenders should apply the Appendix 15 valuation and quality of earnings thresholds rather than the old $250,000 test if any Export Express acquisition is still pursued.

Lender · Buyer

16 Export Express

TIGHTENED MEDIUM IMPACT

Application contents

SOP 50 10 8 through 9/30/2026

Export Express files needed only the forms the lender required for its credit decision, SBA Form 1919 data in E-Tran, and IRS transcripts (full reconciliation only if the lender used business financial data; filing and size verification only when credit scoring).

SOP 50 10 8, Sec. B, Ch. 4, ¶ A.5, p. 252 to 254

SOP 50 10 8.1 from 10/1/2026

Appendix 20 lists Export Express with Standard 7(a), 7(a) Small, Express and MARC as subject to "All general requirements" with "No additional program specific exceptions," which on its face brings in the full list (owner financial statements within 90 days, 3 years of financials, collateral listings and similar). The transcript carve out for credit scored loans remains in Section A.

SOP 50 10 8.1, App. 20, ¶ A.1 and ¶ B.1, p. 390 to 393; Sec. A, Ch. 5, ¶ B.4.g, p. 97

PCA NOTE PCA expects Export Express lenders to ask for more paper up front; borrowers should have personal financial statements dated within 90 days and three years of statements ready.

Lender

17 EWCP

LOOSENED MEDIUM IMPACT

12 month operating history waiver

SOP 50 10 8 through 9/30/2026

EWCP requires 12 full months of operations; "The SBA Approving Official may waive the 12-month requirement, based upon demonstrated Export Transaction expertise and previous business experience."

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.1.a to b, p. 255

SOP 50 10 8.1 from 10/1/2026

Same 12 month rule, but "the Lender may perform an analysis that demonstrates sufficient management experience to move forward with the EWCP loan."

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.1.a.i, p. 164

PCA NOTE Younger exporters no longer need an SBA waiver; a PLP-EWCP lender can document management experience itself.

Buyer · Lender

18 EWCP

NEW · MEDIUM IMPACT

Financial reporting capacity

SOP 50 10 8 through 9/30/2026	**SOP 50 10 8.1** from 10/1/2026
No stated eligibility requirement on reporting capacity. *SOP 50 10 8, Not addressed*	"The Applicant must be able to produce timely and accurate financial statements, accounts receivable and accounts payable aging, and inventory reports." *SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.1.b, p. 164*

PCA NOTE Exporters should have monthly closes and reliable agings before applying; weak bookkeeping is now an eligibility issue, not just a credit issue.

Buyer · Lender

19 EWCP

TIGHTENED · LOW IMPACT

Ineligible NAICS

SOP 50 10 8 through 9/30/2026	**SOP 50 10 8.1** from 10/1/2026
NAICS 721 (Accommodation) and 457 (Gasoline Stations) could not use EWCP. *SOP 50 10 8, Sec. B, Ch. 4, ¶ B.3, p. 258*	Adds NAICS 722 (Food Services and Drinking Places) to the EWCP exclusion list. *SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.2.c, p. 164*

PCA NOTE Restaurant and bar operators must use other 7(a) products for working capital.

Lender

20 EWCP

CLARIFIED · MEDIUM IMPACT

Eligible uses

SOP 50 10 8 through 9/30/2026	**SOP 50 10 8.1** from 10/1/2026
Uses included inventory for export, manufacturing costs, goods or services for export, standby letters of credit related to exports, export working capital, foreign receivables and inventory financing, indirect exports with customer documentation, pre and post shipment financing, and lender and packaging fees. *SOP 50 10 8, Sec. B, Ch. 4, ¶ B.2.a.i, p. 255 to 256*	Inventory use now expressly includes "eligible direct labor and materials"; letters of credit now read "Performance or Financial standby letters of credit"; fees are allowed "as permitted in this Chapter"; the separate indirect export item is dropped from the list (the Appendix 3 definition of Export Transaction still includes Indirect Exports and Appendix 20 still asks for customer documentation). *SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.3.a.i, p. 164 to 165; App. 3; App. 20, ¶ B.3.a.vi, p. 406 to 407*

PCA NOTE Financial standby letters of credit are now clearly fundable, which helps exporters that post warranty or financial guarantees for foreign buyers.

Lender · Buyer

21 EWCP

TIGHTENED · LOW IMPACT

Ineligible uses

SOP 50 10 8 through 9/30/2026

Proceeds could not support domestic sales "except in the case of an indirect export," acquire fixed assets, fund pre shipment financing for foreign to foreign transactions, acquire overseas space, or fund marketing, travel and trade shows unrelated to the financed transaction.

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.2.a.ii, p. 256

SOP 50 10 8.1 from 10/1/2026

Same list, but adds "Provide floor plan financing on titled vehicles or equipment" and drops the indirect export exception from the domestic sales prohibition.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.3.a.ii, p. 165

PCA NOTE Dealers of vehicles or titled equipment cannot use EWCP as a floor plan line.

Lender

22 EWCP

LOOSENED · MEDIUM IMPACT

Debt refinancing

SOP 50 10 8 through 9/30/2026

EWCP could refinance an existing EWCP loan or export line of credit supported by export sales; loan being refinanced must be terminated; debt on reasonable terms could not be refinanced; tax return and two tax cycle history rules; written refinancing analysis. PLP-EWCP lenders had to go non delegated to refinance same institution debt.

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.2.b and ¶ B.6, p. 256 to 258, 267

SOP 50 10 8.1 from 10/1/2026

General Appendix 14 rules apply, with exceptions: refinanced loan must be terminated; "Lenders may use delegated or non-delegated authority to refinance existing SBA 7(a) guaranteed loans" including export related SBA Express, CAPLine, EWCP and Export Express loans and same institution loans with export sales (only export collateral may be used); refinanced debt must be supported by eligible borrowing base or transaction collateral; receivables must pay down the EWCP loan in "the same or greater percentage"; 401(k) and ROBS structures must be non delegated.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.3.b, p. 165; App. 14, ¶ B.7, p. 340 to 341

PCA NOTE PCA sees easier consolidation of existing export lines into EWCP, including a lender's own SBA export lines, which helps exporters that outgrow SBA Express or Export Express.

Lender

23 EWCP

CLARIFIED LOW IMPACT

Change of ownership

SOP 50 10 8 through 9/30/2026

"EWCP loan proceeds may not be used for a change of ownership."

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.2.c, p. 258

SOP 50 10 8.1 from 10/1/2026

No express statement, but EWCP proceeds "can be used only to finance Export Transactions," which still excludes acquisition funding.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.3.a, p. 164

PCA NOTE Buyers cannot fund a purchase price with EWCP; it remains a post closing working capital tool for an acquired exporter.

Buyer · Lender

24 EWCP

MOVED LOW IMPACT

Loan amount and guaranty

SOP 50 10 8 through 9/30/2026

Maximum loan $5,000,000; maximum guaranty $4,500,000 at 90% for EWCP and International Trade; combination with 504 loans should process the 7(a) first.

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.4.a to b, p. 258 to 259

SOP 50 10 8.1 from 10/1/2026

Same $5,000,000 loan limit in the chapter; $4,500,000 and 90% now in Appendix 16.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.4.a to b, p. 165; App. 16, ¶ B.6, p. 366

PCA NOTE No change in dollars or percentages.

Lender

25 EWCP

CLARIFIED MEDIUM IMPACT

Maturity and loan types

SOP 50 10 8 through 9/30/2026

Maximum maturity 36 months measured from the note date or initial disbursement; three loan types (single transaction specific, transaction based revolving, asset based) with justification needed for terms over 12 months; ABL reissuance treated as a new loan with a new guaranty fee and annual financial statements to SBA.

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.4.c, p. 259 to 260

SOP 50 10 8.1 from 10/1/2026

Maximum 36 months "from the date of the Note"; the loan term is the commitment period and the lender "may set independent loan maturities (typically on an annual basis)" within it. Two loan types: Transaction Based (single or multiple transactions, revolving or not) and Asset Based. Standby letter of credit expiry rule unchanged.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.4.c and ¶ B.5.a, p. 166 to 168; App. 17, ¶ B.7, p. 370 to 371

PCA NOTE A 36 month EWCP commitment with annual maturities inside it gives exporters more certainty without repeated reissuance.

Lender

26 EWCP

NEW HIGH IMPACT

Annual and renewal credit review

SOP 50 10 8 through 9/30/2026

No annual review rule beyond the lender supplying SBA updated financial statements on ABLs annually.

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.4.c.iii.c, p. 260

SOP 50 10 8.1 from 10/1/2026

At least annually and at every renewal, the lender must obtain year end and interim statements and fully review credit and collateral, documenting that the borrower is creditworthy, can repay from conversion of sales to cash, and complies with EWCP rules. "If the Lender's analysis does not document that all three of the above requirements are met, no further disbursements may be made, and the loan may not be renewed."

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.5.a.ii.a, p. 167 to 168; App. 17, ¶ B.7.c, p. 371

PCA NOTE Exporters should expect a formal annual review and a funding freeze if it is not passed; timely year end statements now directly control access to the line.

Lender · Buyer

27 EWCP

CLARIFIED LOW IMPACT

Interest rates

SOP 50 10 8 through 9/30/2026

SBA does not prescribe EWCP rates but monitors reasonableness; no base rate list; default rates not permitted; rate changes before final disbursement to LGPC or E-Tran Servicing and after to CLSC.

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.4.d, p. 260 to 262

SOP 50 10 8.1 from 10/1/2026

Same reasonableness standard; base rate "may be the daily Secured Overnight Financing Rate (SOFR) + 3%, Prime Rate, or SBA's Optional Peg Rate"; general rules (including no default rates) otherwise apply.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.4.d, p. 166; App. 18, ¶ B.7, p. 379 to 380

PCA NOTE SOFR based EWCP pricing is now expressly recognized in the SOP.

Lender · Buyer Source notice: 5000-875051

28 EWCP

UNCHANGED LOW IMPACT

Ongoing fee payment options

SOP 50 10 8 through 9/30/2026

Lender may pay the EWCP Ongoing Fee monthly with the SBA Form 1502 report or annually on DFC invoice (due 30 days after invoice); delinquency can lead to suspension or limits on delegated authority.

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.4.e, p. 262 to 263

SOP 50 10 8.1 from 10/1/2026

Same two options and same enforcement language.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.4.e, p. 166 to 167

PCA NOTE No change.

Lender

29 EWCP

TIGHTENED · MEDIUM IMPACT

Financial analysis period

SOP 50 10 8 through 9/30/2026

Credit analysis required analysis of "historical and year-to-date financial statements" and the applicant's projections.

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.5.c.vi, p. 265

SOP 50 10 8.1 from 10/1/2026

Analysis of "the Applicant's two most recent years of historical financial information (tax returns or balance sheet with debt schedule and income statement) plus an interim statement," and projections "for at least 12 months after the first disbursement."

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.5.d.vi, p. 170

PCA NOTE Borrowers should supply two full years plus interim and a 12 month forward projection with the application.

Lender · Buyer

30 EWCP

NEW · HIGH IMPACT

Field examinations

SOP 50 10 8 through 9/30/2026

No EWCP field examination requirement.

SOP 50 10 8, Not addressed

SOP 50 10 8.1 from 10/1/2026

Field exam required before first disbursement on every asset based EWCP loan of $1,000,000 or more; at least annually when $2,000,000 or more; below $2,000,000 frequency is lender judgment with documented reasons if skipped; not required for transaction based loans. Exams must sample receivables and inventory; cost is out of pocket. ABL credit analysis must address field exam findings.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.5.d.x to xi, p. 170 to 171; App. 20, ¶ B.3.b.ii.h, p. 414

PCA NOTE Exporters seeking a $1,000,000 or larger asset based line should budget time and third party cost for a field exam before funding.

Lender · Buyer

31 EWCP

CLARIFIED · LOW IMPACT

Credit insurance analysis

SOP 50 10 8 through 9/30/2026

Collateral analysis could discuss "Credit insurance experience."

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.5.c.xi.c, p. 266

SOP 50 10 8.1 from 10/1/2026

Replaced by "Credit coverage, allowed sales terms, and the Borrower's experience administering the policy" within the terms of sale discussion.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.5.d.xiii.b.vi, p. 172

PCA NOTE Lenders should review the actual insurance policy terms and the exporter's track record with it.

Lender

32 EWCP

TIGHTENED MEDIUM IMPACT

Collateral and standby letters of credit

SOP 50 10 8 through 9/30/2026

First security interest in all transaction collateral; 25% cash deposit for standby letters of credit (ABL borrowing base may substitute); personal guaranties of 20% owners, waivable by D/ITF.

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.5.d, p. 266 to 267

SOP 50 10 8.1 from 10/1/2026

Same first lien and 25% rules, plus: lender must keep the loan "In Margin" at all times; EWCP must have lien priority on trading assets when paired with a term loan; financial standby letters of credit under an ABL must be secured 100% against borrowing base availability; lender must reserve 100% of any issued letter of credit against the gross EWCP amount (75% if a cash deposit secures a performance letter of credit).

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.5.e, p. 172; App. 19, ¶ B.7, p. 387 to 388

PCA NOTE Standby letters of credit now consume full line capacity; exporters should size the EWCP facility to cover both working capital and letters of credit.

Lender · Buyer

33 EWCP

MOVED LOW IMPACT

Extraordinary servicing fee

SOP 50 10 8 through 9/30/2026

Lenders may charge extraordinary servicing fees above 2% for EWCP or Working Capital CAPLine loans disbursed on a borrowing base certificate, if reasonable and no higher than on conventional loans.

SOP 50 10 8, Sec. A, Ch. 4, ¶ C.2.b.ii, p. 66

SOP 50 10 8.1 from 10/1/2026

The EWCP provision moves into the export chapter and adds that it is charged "at the time of the annual review."

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.6, p. 172

PCA NOTE Borrowers on asset based EWCP lines should expect the monitoring fee to be assessed at each annual review.

Lender · Buyer

34 EWCP

MOVED LOW IMPACT

Submission and delegated processing

SOP 50 10 8 through 9/30/2026

Non delegated EWCP applications go through the Export Finance Manager and LGPC, with reconsideration within 6 months to D/ITF; PLP-EWCP lenders go non delegated only for same institution refinancing; Form 750 and 750EX eligibility paragraph; owner statements within 120 days; reissue requires new Forms 1919.

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.6, p. 267 to 272

SOP 50 10 8.1 from 10/1/2026

Export Finance Manager, LGPC and D/ITF process and EWCP documentation list move to Appendix 20; the Form 750EX paragraph and explicit reissue paperwork rule are gone; general Appendix 20 requirements (including owner statements within 90 days) apply.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ B.7, p. 172; App. 20, ¶ A.1 and ¶ B.3, p. 390 to 407

PCA NOTE Borrowers should expect personal financial statements to be refreshed within 90 days rather than 120.

Lender

35 EWCP

TIGHTENED MEDIUM IMPACT

Repayment options

SOP 50 10 8 through 9/30/2026

Three repayment options: all proceeds applied plus interest only; principal plus interest; interest only on outstanding balances. Master notes and sub notes allowed.

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.8.a, p. 272

SOP 50 10 8.1 from 10/1/2026

Two options: all cash and receivables applied to principal plus interest, or interest only on outstanding balances, and "Advances on the line of credit must not occur unless the loan is In Margin." Master note structure unchanged.

SOP 50 10 8.1, App. 20, ¶ B.3.b.i, p. 407 to 408

PCA NOTE Principal plus interest amortizing structures are no longer listed; exporters should expect self liquidating or interest only lines.

Lender · Buyer

36 EWCP

MOVED LOW IMPACT

Advance rates, receivables and inventory

SOP 50 10 8 through 9/30/2026

90% of purchase order or cost on transaction loans; 90% foreign receivables and 75% U.S. export inventory on ABLs; 80% cap on uninsured open account unless PLP-EWCP lender documents up to 90%; receivables tenor limits (364 days with letters of credit, 180 days insured or uninsured); 13 receivable and 8 inventory exclusions; control accounts; 2 years in business to retain collections.

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.8.b, p. 272 to 278

SOP 50 10 8.1 from 10/1/2026

Same advance rates, tenors, exclusions and control account rules, relocated.

SOP 50 10 8.1, App. 20, ¶ B.3.b.ii.a to g, p. 408 to 414

PCA NOTE No change to borrowing base math.

Lender

37 EWCP

LOOSENED MEDIUM IMPACT

Borrowing base certificate frequency

SOP 50 10 8 through 9/30/2026

Borrower must submit a BBC at least monthly on asset based lines.

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.8.b.ii, p. 272 to 273

SOP 50 10 8.1 from 10/1/2026

All asset based loans use a BBC; for EWCP loans of $1,000,000 or less BBCs at least quarterly, above $1,000,000 at least monthly; lenders may require a BBC with each draw.

SOP 50 10 8.1, App. 20, ¶ B.3.b.ii.i, p. 414 to 415

PCA NOTE Smaller exporters get lighter reporting, but see the new cutoff rules for late certificates.

Lender · Buyer

38 EWCP

NEW HIGH IMPACT

Late BBCs and out of margin lines

SOP 50 10 8 through 9/30/2026

Over advances had to be paid down immediately; no timing rule for late certificates.

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.8.b.ii, p. 273

SOP 50 10 8.1 from 10/1/2026

BBC due no later than 30 days after month end; advances must stop if a monthly BBC is not received within 60 days or a quarterly BBC within 30 days; lender may suspend BBCs on an unused line but needs a new BBC or full credit memo before the next advance; if not In Margin the borrower must pay down or add collateral, and "No additional advances may be made against a line that is not In Margin" without SBA consent through 7aLoanMod@sba.gov, even for PLP-EWCP loans.

SOP 50 10 8.1, App. 20, ¶ B.3.b.ii.j to k, p. 415 to 416

PCA NOTE Late reporting now freezes the line automatically; exporters should calendar BBC deadlines as strictly as loan payments.

Lender · Buyer

39 EWCP

UNCHANGED LOW IMPACT

Borrower certifications

SOP 50 10 8 through 9/30/2026

Borrower certifies payroll withholding deposits are made and provides export licenses or a statement none is required.

SOP 50 10 8, Sec. B, Ch. 4, ¶ B.8.b.viii, p. 278

SOP 50 10 8.1 from 10/1/2026

Same certifications.

SOP 50 10 8.1, App. 20, ¶ B.3.b.ii.l, p. 416

PCA NOTE No change.

Buyer · Lender

40 International Trade loans

CLARIFIED MEDIUM IMPACT

Eligibility categories

SOP 50 10 8 through 9/30/2026

Applicant must show export market expansion (export business plan) or injury from import competition, plus improved competitive position.

SOP 50 10 8, Sec. B, Ch. 4, ¶ C.1.a to d, p. 279

SOP 50 10 8.1 from 10/1/2026

Same two categories plus competitive position, and "Within the credit memorandum and the SBA Loan System, the Lender must state which category... applies to the Applicant."

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ C.1, p. 173

PCA NOTE Lenders must now pick and record the eligibility category, which matters because it controls which acquisition types are allowed.

Buyer · Lender Source notice: 5000-877629

41 International Trade loans

NEW · HIGH IMPACT

Import competition: deemed eligible industries

SOP 50 10 8 through 9/30/2026

Import affected applicants had to show injury with a narrative and financial statements, or submit an International Trade Commission or Commerce finding under the Trade Act of 1974.

SOP 50 10 8, Sec. B, Ch. 4, ¶ C.1.c, p. 279

SOP 50 10 8.1 from 10/1/2026

SBA has determined that businesses in manufacturing (NAICS 31, 32, 33), mining, quarrying and oil and gas (NAICS 211, 212, 213) and listed food supply chain codes (farming and ranching 1111 to 1129, fishing 1141, crop and animal support 1151 and 1152, farm machinery and grocery and farm product wholesalers 423820, 4244, 4245, 424910, supermarkets 445110, food only trucking 484220 and 484230, refrigerated and farm warehousing 493120 and 493130) are adversely affected and "do not require any additional documentation." Others still must show injury; the ITC or Commerce finding route is no longer mentioned.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ C.1.b, p. 173 to 175

PCA NOTE PCA sees this as the biggest export change: most manufacturers, energy and mining firms, farms and food distributors now qualify for the 90% guaranty International Trade loan without proving import injury, though they still must show improved competitive position.

Buyer · Lender · Seller · Broker Source notice: 5000-877629; 5000-881477

42 International Trade loans

CLARIFIED · LOW IMPACT

Export market route and indirect exports

SOP 50 10 8 through 9/30/2026

Indirect exports expressly counted as exports; Country Limitation Schedule check covered indirect exports; no loan to a business exporting to a Note 7 country.

SOP 50 10 8, Sec. B, Ch. 4, ¶ C.1.b, p. 279

SOP 50 10 8.1 from 10/1/2026

Customer documentation that goods are exported is still required, but the sentence defining indirect exports as exports is gone (the Appendix 3 definition still includes them); Note 7 countries are barred "without approval from the federal government to export products to those countries."

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ C.1.a, p. 173; App. 3

PCA NOTE Suppliers to U.S. exporters can still use the export route, but lenders should keep the customer letter in the file.

Lender

43 International Trade loans

UNCHANGED LOW IMPACT

Ineligible NAICS

SOP 50 10 8 through 9/30/2026

NAICS 721 and 457 ineligible for International Trade loans.

SOP 50 10 8, Sec. B, Ch. 4, ¶ C.1.e, p. 280

SOP 50 10 8.1 from 10/1/2026

Same.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ C.1.d, p. 175

PCA NOTE No change.

Lender

44 International Trade loans

TIGHTENED HIGH IMPACT

Eligible uses and working capital cap

SOP 50 10 8 through 9/30/2026

Proceeds limited to U.S. facilities and equipment "involved in international trade and to develop and penetrate foreign markets," working capital (no stated dollar cap on the loan, but guaranteed working capital across all 7(a) loans capped at $4,000,000), refinancing and change of ownership.

SOP 50 10 8, Sec. B, Ch. 4, ¶ C.2.a and ¶ C.3.b.ii.b, p. 280, 287

SOP 50 10 8.1 from 10/1/2026

Facilities and equipment "to be used in the United States to produce goods or services" (international trade qualifier dropped); "Working capital (The maximum amount of working capital that can be included in an ITL is $2 million)"; changes of ownership per Appendix 15; refinancing per Appendix 14 ¶ B.8. Appendix 16 no longer repeats the $4,000,000 working capital guaranty limit.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ C.2.a, p. 175; App. 16, ¶ B.6, p. 366

PCA NOTE Deals that lean on working capital must keep that component at or below $2 million inside the International Trade loan; fixed asset heavy expansions fit better.

Buyer · Lender Source notice: 5000-877629

45 International Trade loans

TIGHTENED HIGH IMPACT

Change of ownership

SOP 50 10 8 through 9/30/2026

Allowed for a complete (100%) purchase of another small business if the buyer acquired U.S. facilities or equipment used in international trade and was itself eligible; changes between existing owners and purchases of less than 100% were ineligible; seller consulting capped at 12 months.

SOP 50 10 8, Sec. B, Ch. 4, ¶ C.2.a.iv, p. 284 to 286

SOP 50 10 8.1 from 10/1/2026

Follows Appendix 15 categories: loans approved under the export route may fund Business Expansion and ESOP and Cooperative deals; loans approved under the import competition route may fund Business Expansion, Owner Buyout and ESOP and Cooperative deals; "IT loans cannot be used to support Initial Acquisition transactions." The facilities or equipment acquisition requirement is no longer stated.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ C.2.a.iii, p. 175; App. 15, ¶ B

PCA NOTE A first time buyer or search fund doing an Initial Acquisition cannot use the International Trade loan; an existing operator adding a same industry target, or an import affected company buying out a partner, can, and gets the 90% guaranty up to $4.5 million.

Buyer · Seller · Broker · Lender Source notice: 5000-880695

46 International Trade loans

LOOSENED · MEDIUM IMPACT

Debt refinancing

SOP 50 10 8 through 9/30/2026

Full refinancing rules restated: PLP could not refinance same institution debt (non delegated only, 36 month payment transcript), 10% payment improvement, seller note refinancing after 24 months current, and similar.

SOP 50 10 8, Sec. B, Ch. 4, ¶ C.2.a.iii, p. 280 to 284

SOP 50 10 8.1 from 10/1/2026

"All general debt refinancing requirements apply to International Trade loans. IT loans may include debt refinancing when the refinancing is necessary to improve the competitive position of the business in export markets." General Appendix 14 rules now allow same institution debt under PLP authority subject to 13 CFR 120.452.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ C.2.a.iv, p. 175; App. 14, ¶ A.4 and ¶ B.8, p. 335 to 341

PCA NOTE Refinancing inside an International Trade loan now needs an explicit competitive position rationale tied to export markets, but PLP lenders gain delegated room on their own debt.

Lender · Buyer

47 International Trade loans

MOVED · LOW IMPACT

Maturity and interest

SOP 50 10 8 through 9/30/2026

Standard 7(a) maturities and rate caps restated; only Prime and Peg as base rates; default rates prohibited.

SOP 50 10 8, Sec. B, Ch. 4, ¶ C.3.c to d, p. 287 to 294

SOP 50 10 8.1 from 10/1/2026

Same rate chart in chapter; "All general requirements" of Appendices 17 and 18 apply with no program exceptions, including SOFR and Treasury alternative base rates.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ C.3.c to d, p. 176; App. 17, ¶ B.8, p. 371; App. 18, ¶ B.8, p. 380

PCA NOTE Borrowers can now see International Trade loans priced off SOFR or Treasury indices within SBA caps.

Lender   Source notice: 5000-875051

48 International Trade loans

UNCHANGED · LOW IMPACT

Credit analysis and DSCR

SOP 50 10 8 through 9/30/2026

Three years of history plus interim; projections for start ups and changes of ownership showing 1.15 DSCR within 2 years; DSCR 1.15 business and 1:1 global; working capital explanation when 50% or more of proceeds.

SOP 50 10 8, Sec. B, Ch. 4, ¶ C.4.b.i, p. 294 to 299

SOP 50 10 8.1 from 10/1/2026

Same, except the change of ownership valuation cross reference now points to Appendix 19 ¶ A.1.d and change of ownership underwriting follows Appendix 15 (which sets its own DSCR by category, e.g. 1.15 for Business Expansion and 1.25 for Owner Buyout).

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ C.4.b.i, p. 177 to 180; App. 15

PCA NOTE Acquisition deals under an International Trade loan should be underwritten to the Appendix 15 category DSCR, not only the 1.15 in the chapter.

Lender · Buyer

49 International Trade loans

TIGHTENED MEDIUM IMPACT

Equity injection

SOP 50 10 8 through 9/30/2026

Complete change of ownership required at least 10% equity; prepaid expenses verified by invoices counted as equity; note stated "Whether called 'search funding' or by some other name" investments with repayment or distribution rights before guaranty release are debt.

SOP 50 10 8, Sec. B, Ch. 4, ¶ C.4.b.ii, p. 299 to 300

SOP 50 10 8.1 from 10/1/2026

Change of ownership equity "See equity requirements set forth in Appendix 15" (10% for Business Expansion and Owner Buyout, which the lender may reduce or eliminate on sufficient liquidity); only "Eligible prepaid expenses" count and "Expenses related to education, advisory servicers, or fees paid by the Applicant to an Agent are not eligible prepaid expenses"; the search funding wording is deleted but redeemable investments are still treated as debt.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ C.4.b.ii, p. 180 to 181; App. 15

PCA NOTE Buyers cannot count advisor, education or agent fees as equity; independent sponsors should structure investor equity without redemption rights before the guaranty is released.

Buyer · Lender

50 International Trade loans

LOOSENED MEDIUM IMPACT

Lien position and PLP

SOP 50 10 8 through 9/30/2026

First lien required on assets financed or other assets; second lien only if SBA determines adequate assurance, with piggyback and justification conditions; IT loans without a first lien could not be processed under PLP.

SOP 50 10 8, Sec. B, Ch. 4, ¶ C.4.c.ii to iii and ¶ C.5, p. 300 to 301, 306

SOP 50 10 8.1 from 10/1/2026

Same statutory first lien rule, but "A Lender may request a policy exception from the Director of Financial Assistance (D/FA)" for a non first lien structure, sent to 7adelegatedloanapps@sba.gov.

SOP 50 10 8.1, App. 19, ¶ B.8.b to c, p. 388

PCA NOTE PLP lenders can seek a quick exception by email rather than routing the whole loan through LGPC when an existing first mortgage stays in place.

Lender

51 International Trade loans

MOVED LOW IMPACT

Appraisals and business valuation

SOP 50 10 8 through 9/30/2026

Program text required a USPAP appraisal for all loans secured by commercial real estate, a less than 90% of estimate rule (PLP may close with justification), and extra appraisal or site visit rules for businesses transferred within 36 months on loans over $500,000, plus business valuation rules.

SOP 50 10 8, Sec. B, Ch. 4, ¶ C.4.d, p. 302 to 306

SOP 50 10 8.1 from 10/1/2026

"Lenders must comply with the requirements for real estate appraisals or evaluations as stated in the general collateral requirements"; business valuation follows Appendix 15.

SOP 50 10 8.1, App. 19, ¶ A.1.d to e and ¶ B.8.d, p. 381 to 389; App. 15, ¶ C.1

PCA NOTE Lenders should apply the Appendix 19 and 15 thresholds; the old 36 month transfer appraisal rule is no longer stated in the program text.

Lender

52 International Trade loans

MOVED LOW IMPACT

Submission and reconsideration

SOP 50 10 8 through 9/30/2026

PLP lenders go non delegated for same institution refinancing or non first lien collateral; full application checklist with owner statements within 120 days; reconsideration within 6 months, current financials after 120 days, second level to D/FA.

SOP 50 10 8, Sec. B, Ch. 4, ¶ C.5, p. 306 to 311

SOP 50 10 8.1 from 10/1/2026

General Appendix 20 checklist applies (owner financial statements signed and dated within 90 days, business statements within 120 days); reconsideration rules unchanged in Appendix 20 ¶ B.4.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ C.5, p. 181; App. 20, ¶ A and ¶ B.4, p. 390 to 393, 416

PCA NOTE Buyers should refresh personal financial statements so they are no older than 90 days at submission.

Lender

53 Terms and Conditions

CLARIFIED LOW IMPACT

E-Tran renamed SBA Loan System

SOP 50 10 8 through 9/30/2026

Chapter titled "E-Tran Terms and Conditions"; authorization stored and issued in E-Tran.

SOP 50 10 8, Sec. B, Ch. 5, ¶ A, p. 311

SOP 50 10 8.1 from 10/1/2026

Chapter 6 titled "SBA Terms and Conditions"; all references now to the "SBA Loan System" (E-Tran Servicing "or successor SBA Loan System"). Content of the required terms (fees, repayment, use of proceeds, guarantors, collateral, construction) unchanged; SBA still does not require signatures on the terms and conditions.

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ A.1 to 3, p. 182

PCA NOTE Purely terminology, anticipating replacement of E-Tran; closing checklists should be updated.

Lender

54 Terms and Conditions

UNCHANGED LOW IMPACT

Construction provisions

SOP 50 10 8 through 9/30/2026

Seismic (NEHRP) evidence; blanket bond waiver at $350,000 or less construction; 100% performance and payment bonds above $350,000 unless third party or internal construction management; do it yourself construction only with licensed experience, cost at or below 2 bids or a single third party estimate, and no profit.

SOP 50 10 8, Sec. B, Ch. 5, ¶ A.4, p. 311 to 314

SOP 50 10 8.1 from 10/1/2026

Same.

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ A.4, p. 182 to 185

PCA NOTE No change for buyers planning buildouts.

Lender · Buyer Source notice: 5000-872764

55 Post approval modifications

NEW MEDIUM IMPACT

Prior approval actions before final disbursement

SOP 50 10 8 through 9/30/2026

Refer to the Lender Matrix; certain actions reported via E-Tran Servicing without separate notice.

SOP 50 10 8, Sec. B, Ch. 5, ¶ B.1 to 2, p. 314

SOP 50 10 8.1 from 10/1/2026

Adds: "Lenders must not unilaterally approve any actions that require prior SBA approval. Actions that require prior SBA approval must be submitted to LGPC" with the reason, details, supporting documents and the lender's recommendation, regardless of delegated or non delegated processing; SOP 50 57 added as a reference.

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ B.1.a to b, p. 185

PCA NOTE Changes between approval and closing (for example a new guarantor or altered use of proceeds on an acquisition) need a written LGPC request with a recommendation, so buyers should lock deal terms before the loan number issues.

Lender · Buyer

56 Post approval modifications

CLARIFIED LOW IMPACT

After final disbursement and revolving lines

SOP 50 10 8 through 9/30/2026

For fully disbursed loans, refer to SOP 50 57 and the Lender Matrix.

SOP 50 10 8, Sec. B, Ch. 5, ¶ B.3, p. 314

SOP 50 10 8.1 from 10/1/2026

Notification and prior approval requests for loans in regular servicing go to the CLSC, "including partially disbursed revolving lines of credit, which are considered fully disbursed upon initial disbursement."

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ B.2.a, p. 185

PCA NOTE Lenders should send changes on revolving lines (EWCP, CAPLines, Express lines) to the servicing center once the first draw is made.

Lender

57 Post approval modifications

UNCHANGED LOW IMPACT

Loan increases

SOP 50 10 8 through 9/30/2026

Increases subject to program maximums and original year fees; term loan increases over 20% or after 18 months need SBA approval (non delegated) or documented analysis (delegated); SBA Express and Export Express line increases within 5 and 7 years, with analysis above 33%.

SOP 50 10 8, Sec. B, Ch. 5, ¶ B.4, p. 314 to 315

SOP 50 10 8.1 from 10/1/2026

Same thresholds, renumbered as ¶ B.3.

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ B.3, p. 185 to 187

PCA NOTE No change.

Lender · Buyer

58 Transfer of guaranty

UNCHANGED LOW IMPACT

Between participating lenders

SOP 50 10 8 through 9/30/2026

Before final disbursement, written explanation to LGPC; multiple loan transfers go to D/FA; after final disbursement to CLSC under SOP 50 57.

SOP 50 10 8, Sec. B, Ch. 5, ¶ C, p. 315

SOP 50 10 8.1 from 10/1/2026

Same.

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ C, p. 187

PCA NOTE No change.

Lender

59 Loan closing

UNCHANGED LOW IMPACT

Disbursement period and escrow

SOP 50 10 8 through 9/30/2026

Full disbursement within 48 months of approval or the balance is cancelled; lines are fully disbursed at first draw; closing escrow up to 5 business days with no 1502 reporting, guaranty fee or interest until funds leave escrow.

SOP 50 10 8, Sec. B, Ch. 5, ¶ D.1, p. 316

SOP 50 10 8.1 from 10/1/2026

Same.

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ D.1, p. 187

PCA NOTE Acquisition closings can still use a short escrow of up to 5 business days.

Lender · Buyer

60 Loan closing

CLARIFIED LOW IMPACT

Note terms

SOP 50 10 8 through 9/30/2026

Lenders using SBA Form 147 insert repayment terms from the E-Tran authorization; secondary market notes must describe the base rate (e.g., Prime).

SOP 50 10 8, Sec. B, Ch. 5, ¶ D.2, p. 316 to 318

SOP 50 10 8.1 from 10/1/2026

"The repayment terms may be in any format as long as the information appears in the Note"; secondary market notes must describe the "Alternative Base Rate, e.g., SOFR" where used. Prepayment language (20% free, 21 day notice) and subsidy recoupment (5%, 3%, 1% in years 1 to 3 on 15 year plus loans) unchanged.

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ D.2.d and ¶ D.2.i, p. 188 to 190

PCA NOTE Borrowers with 10 year plus acquisition loans still face the 3 year prepayment penalty only on loans of 15 years or more.

Lender Source notice: 5000-875051

61 Loan closing

UNCHANGED LOW IMPACT

Disbursement documentation (SBA Form 1050)

SOP 50 10 8 through 9/30/2026

Except SBA Express, Export Express and 7(a) Small, lender and borrower sign SBA Form 1050 at first disbursement; each disbursement documented by recipient, date, amount and purpose with joint checks, paid invoices or wire evidence; normal operating working capital need not be documented.

SOP 50 10 8, Sec. B, Ch. 5, ¶ D.3.a to e, p. 318 to 319

SOP 50 10 8.1 from 10/1/2026

Same.

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ D.3.a to e, p. 190 to 191

PCA NOTE Sellers should expect purchase price payments to be evidenced by wire confirmations tied to the settlement sheet.

Lender · Buyer · Seller

62 Loan closing

UNCHANGED MEDIUM IMPACT

Equity injection and seller financing verification

SOP 50 10 8 through 9/30/2026

Except Express and Export Express, verify required equity before any disbursement using the check or wire, 30 days of source account statements, and a deposit or settlement statement; gift letters or notes alone are insufficient; borrowed equity such as HELOC or seller financing beyond the minimum requires the lender to address repayment and standby or subordination terms.

SOP 50 10 8, Sec. B, Ch. 5, ¶ D.3.f, p. 319 to 320

SOP 50 10 8.1 from 10/1/2026

Same.

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ D.3.f, p. 191

PCA NOTE Buyers should season equity funds in a traceable account at least 30 days before closing, and seller notes must have their standby terms papered at closing.

Buyer · Lender · Seller

63 Loan closing

UNCHANGED LOW IMPACT

Required SBA forms

SOP 50 10 8 through 9/30/2026

Lender or SBA note and guaranty forms (147, 148, 148L) with required federal law language; SBA lien instrument language; Form 159 for lender fees over $2,500 and for any agent; Form 722; IRS Form 4506-C or 8821.

SOP 50 10 8, Sec. B, Ch. 5, ¶ D.4, p. 320 to 322

SOP 50 10 8.1 from 10/1/2026

Same.

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ D.4, p. 191 to 193

PCA NOTE Any broker or packager paid in the deal must still appear on a Form 159 at closing.

Lender · Buyer

64 Loan closing

TIGHTENED MEDIUM IMPACT

Collateral perfection and lien recordation

SOP 50 10 8 through 9/30/2026

Lender must obtain all collateral with proper lien priority and meet all conditions before or at disbursement.

SOP 50 10 8, Sec. B, Ch. 5, ¶ D.5, p. 322

SOP 50 10 8.1 from 10/1/2026

Adds that lenders "must retain in their loan file proof of the lien filings, and, when received, proof of the recordation of the liens," and may sell on the secondary market after filing but before recordation proof, but face a full or partial denial equal to the guaranteed share of any loss from an unperfected or unrecorded lien.

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ D.5, p. 193

PCA NOTE Lenders can sell guaranteed portions sooner, but must chase recorded copies; borrowers may see requests for recorded documents after closing.

Lender   Source notice: 5000-872764

65 Loan closing

UNCHANGED LOW IMPACT

Licenses, credit reporting, borrower certifications

SOP 50 10 8 through 9/30/2026

Licenses within 90 days after final disbursement (no secondary sale before); credit bureau reporting; pre disbursement borrower and OC certifications on no adverse change, child support, taxes, 401(k) compliance, environmental indemnity, books and records, Form 722, American made goods, no illegal tenant use; no distributions, ownership changes or asset sales without lender consent.

SOP 50 10 8, Sec. B, Ch. 5, ¶ D.6 to D.8, p. 323 to 324

SOP 50 10 8.1 from 10/1/2026

Same.

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ D.6 to D.8, p. 193 to 195

PCA NOTE Buyers should note the covenant against changing ownership during the loan term without lender consent, which limits later recapitalizations.

Buyer · Lender

66 Loan closing

CLARIFIED · LOW IMPACT

Express, Export Express and 7(a) Small closing

SOP 50 10 8 through 9/30/2026

Lender uses its conventional closing procedures plus SBA forms; before disbursing, verify IRS data, no adverse change, insurance, flood, seismic, American made goods and child support certification that "any 50 percent or more owner of the Applicant on SBA Form 1919 is not more than 60 days delinquent"; changes to terms reported within 15 business days after final disbursement.

SOP 50 10 8, Sec. B, Ch. 5, ¶ D.11, p. 324 to 325

SOP 50 10 8.1 from 10/1/2026

Same, but the child support certification now reads "no principal who holds at least 50 percent of the ownership or voting interest of the Borrower or OC is delinquent more than 60 days under the terms of any administrative order; court order; or repayment agreement requiring payment of child support."

SOP 50 10 8.1, Sec. B, Ch. 6, ¶ D.11, p. 195 to 196

PCA NOTE Wording now matches the standard 7(a) certification and covers the operating company.

Lender

67 IRS verification at closing

CLARIFIED · MEDIUM IMPACT

Transcript reconciliation before first disbursement

SOP 50 10 8 through 9/30/2026

Except Express and Export Express, lenders must obtain transcripts and "reconcile the Applicant's financial data against the tax transcripts" before first disbursement; no disbursement if IRS has no record unless proof of filing and payment is obtained.

SOP 50 10 8, Sec. A, Ch. 5, ¶ B.4, p. 91

SOP 50 10 8.1 from 10/1/2026

Lenders must "reconcile any discrepancies with the Applicant's financial data against the tax transcripts" before first disbursement. New ¶ B.4.e: for amended returns, the lender follows the same steps and, if the amended transcript is unavailable, obtains the signed amended return and evidence of filing (IRS acceptance report, certified mail receipt, IRS stamp, or CPA letter).

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ B.4 and ¶ B.4.e, p. 95 to 96

PCA NOTE Sellers who amend returns before a sale should keep proof of filing; lenders will need it before funding if the IRS has not yet posted the amended transcript.

Lender · Buyer · Seller

68 IRS verification at closing

UNCHANGED · LOW IMPACT

Express and Export Express timing

SOP 50 10 8 through 9/30/2026

Express and Export Express lenders may disburse immediately but must follow up on transcripts; guaranty at risk if unreconciled.

SOP 50 10 8, Sec. A, Ch. 5, ¶ B.4.f, p. 92

SOP 50 10 8.1 from 10/1/2026

Same rule, relettered from ¶ B.4.f to ¶ B.4.g because the new amended return paragraph was inserted.

SOP 50 10 8.1, Sec. A, Ch. 5, ¶ B.4.g, p. 97

PCA NOTE No change.

Lender

69 Appendix 1

UNCHANGED LOW IMPACT

Forms and related SOPs list

SOP 50 10 8 through 9/30/2026

Lists FBI, FEMA, IRS (4506-C, 8821, W-9), SBA Forms 147 through 2481 (including 1050, 159, 155, 1919, 2310 for PLP-EWCP, 2424 SBA Express, 2426 Export Express) and USCIS forms.

SOP 50 10 8, App. 1, p. 395 to 396

SOP 50 10 8.1 from 10/1/2026

Identical list; USCIS forms (G-845, I-551 and others) are still listed although lawful permanent residents can no longer own applicants.

SOP 50 10 8.1, App. 1, p. 269 to 270

PCA NOTE No new closing forms were introduced; PCA expects form updates later (SBA said lenders should collect certifications in the file until forms are revised).

Lender · CDC Source notice: 5000-876626

70 Appendix 10

LOOSENED LOW IMPACT

Electronic signatures on secondary market documents

SOP 50 10 8 through 9/30/2026

Electronic signatures accepted on secondary market sale documents "With the exception of the Form of Detached Assignment... (SBA Form 1088)."

SOP 50 10 8, App. 10, ¶ B.1.c, p. 459

SOP 50 10 8.1 from 10/1/2026

"Electronic signatures may be accepted on all documents requiring signatures" for secondary market sale documents; the Form 1088 exception is removed. NIST IAL2 standard and wet ink recording office carve out unchanged.

SOP 50 10 8.1, App. 10, ¶ B.1.c, p. 327

PCA NOTE Lenders can execute Form 1088 electronically, which speeds guaranteed portion sales after closing.

Lender

71 Appendix 12

CLARIFIED LOW IMPACT

SBA email addresses

SOP 50 10 8 through 9/30/2026

Included SacramentoAlienVerification@sba.gov for USCIS verification; 7aDenials@sba.gov for denials or repairs; no franchise mailbox.

SOP 50 10 8, App. 12, p. 465

SOP 50 10 8.1 from 10/1/2026

Adds Franchise@sba.gov for Franchise Committee, brand eligibility, Directory and appeals; removes the alien verification mailbox; 7aDenials now covers "denials or partial denials"; E-Tran references changed to SBA Loan System. 7aLoanMod@sba.gov is now also the channel for EWCP out of margin advance consent.

SOP 50 10 8.1, App. 12, p. 332 to 334; App. 20, ¶ B.3.b.ii.k, p. 416

PCA NOTE Franchise buyers and their lenders now have a direct SBA mailbox for brand eligibility questions.

Lender · Buyer Source notice: 5000-876626

CHANGE LOG

The 504 Loan Program

SOP 50 10 8.1 keeps the 504 program in Section C, including 504 refinancing and complete change of ownership (neither moved to the new appendices), but tightens underwriting substantially: a historical EBITDA debt service coverage floor of 1.15x replaces the 1:1 test, the CDC must work from the highest level financial statements, and projects of $5,000,000 or more need the bank's underwriting analysis built into the CDC memo. Capacity expands in several ways: Policy Notice 5000-879058 takes 7(a) balances out of the $5,000,000 debenture limit, 90 FR 47117 raises the job thresholds to $95,000 per job ($150,000 for manufacturers, energy projects and special areas), and the contingency cap rises from 10% to 15%. PN 5000-872764 changes appear throughout: 100% appraisal support for all change of ownership and non arm's length deals, construction manager estimates for do it yourself work, formal disbursement extension packages, a 48 month cap on PCLP unilateral extensions, and handling of refinance paydowns before closing. Documentation windows shorten (Form 413 and credit reports to 90 days), LPR ownership documentation is deleted in line with the U.S. citizen or national ownership rule, the Third Party Loan may not mature or amortize longer than the 504 loan, and a formal reconsideration path for declined 504 loans is added. Debenture pricing mechanics are unchanged, while FY2027 fee relief extends to rural and food supply chain borrowers.

TIGHTENED 10 · LOOSENED 8 · NEW 7 · UNCHANGED 7 · CLARIFIED 6 · REMOVED 3 · MOVED 3

1 Job creation and retention

LOOSENED · HIGH IMPACT

Dollars per job, standard and manufacturer/energy projects

SOP 50 10 8 through 9/30/2026

"At least 1 Job Opportunity must be created or retained per every $90,000 of project debenture ($140,000 for Small Manufacturers ... and projects that meet an energy public policy goal)."

SOP 50 10 8, Sec. C, Ch. 1, ¶ A.1, p. 329

SOP 50 10 8.1 from 10/1/2026

"A Project must create or retain one job opportunity per $95,000 guaranteed by SBA" and, for a Small Manufacturer (primary NAICS in Sectors 31 to 33 with all production facilities in the United States) or a project meeting an Energy Public Policy Goal, "one job opportunity per $150,000 guaranteed by SBA."

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ A.1.a, p. 199

PCA NOTE Fewer jobs are needed per debenture dollar: a $5,000,000 debenture now needs about 52.6 jobs instead of 55.6, and a $5,500,000 manufacturer debenture about 36.7 instead of 39.3. Buyers whose job count was the binding constraint on debenture size should rerun the math, since the same headcount now supports a larger 504 piece.

Buyer · CDC · Lender Source notice: 90 FR 47117 (FR Doc. 2025-19072), effective Oct. 1, 2025

2 Job creation and retention

LOOSENED   MEDIUM IMPACT

CDC portfolio average for Other Economic Development Objectives

SOP 50 10 8 through 9/30/2026

A CDC's portfolio must average one Job Opportunity for every "$90,000 guaranteed by SBA" (used when a project qualifies through a community development or public policy goal rather than direct job creation).

SOP 50 10 8, Sec. C, Ch. 1, ¶ A.2.b.i, p. 331

SOP 50 10 8.1 from 10/1/2026

New ¶ A.1.b states that for projects eligible under 13 CFR 120.862 "a CDC's portfolio must reflect an average of one job opportunity for every $150,000 guaranteed by SBA." However, ¶ A.2.b.i still states the portfolio average as "$95,000 guaranteed by SBA."

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ A.1.b, p. 199; ¶ A.2.b.i, p. 201

PCA NOTE The new SOP states two different portfolio averages ($150,000 in A.1.b and $95,000 in A.2.b.i). PCA reads the $150,000 figure as tracking 90 FR 47117 for 120.862 projects. CDCs relying on public policy goals should confirm with SBA which number their portfolio is measured against.

CDC   Source notice: 90 FR 47117

3 Job creation and retention

LOOSENED   MEDIUM IMPACT

Special geographic areas portfolio average

SOP 50 10 8 through 9/30/2026

For projects in Alaska, Hawaii, state designated enterprise zones, empowerment zones, enterprise communities, Opportunity Zones and labor surplus areas, the CDC portfolio average is one job per "$100,000 guaranteed by SBA."

SOP 50 10 8, Sec. C, Ch. 1, ¶ A.2.b.ii, p. 331

SOP 50 10 8.1 from 10/1/2026

The special geographic area portfolio average rises to "$150,000 guaranteed by SBA" and new ¶ A.1.c restates that the CDC's portfolio "may average not more than $150,000 per job created or retained" in these areas (including Opportunity Zones).

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ A.1.c, p. 199; ¶ A.2.b.ii, p. 201

PCA NOTE Projects in Opportunity Zones, rural labor surplus areas, Alaska and Hawaii get the most headroom. A buyer acquiring real estate in one of these areas should ask the CDC early whether the project can be coded to the special area average.

CDC · Buyer   Source notice: 90 FR 47117

4 Job creation and retention

REMOVED MEDIUM IMPACT

Job location, retention proof and job reporting

SOP 50 10 8 through 9/30/2026

Old ¶ A.1.a to d: Job Opportunity defined in Appendix 3; "75% of the jobs must be in the community where the project is located"; retention may be used only if the CDC "can reasonably show that jobs would be lost"; CDCs must list estimated jobs at application and in the Annual Report and, "at the 2 year anniversary of each loan's disbursement," list actual jobs created or retained.

SOP 50 10 8, Sec. C, Ch. 1, ¶ A.1.a to A.1.d, p. 329

SOP 50 10 8.1 from 10/1/2026

Subparagraphs a to d are deleted from Section C. The Appendix 3 definitions of "Job Opportunity" and "Job Retained" (which still requires the CDC to "reasonably show that the job would be lost to the community") remain; the 75% community test and the 2 year actual jobs reporting sentence no longer appear in the SOP text.

SOP 50 10 8.1, App. 3, "Job Opportunity" and "Job Retained", p. 281; Sec. C, Ch. 1, ¶ A.1 (text deleted), p. 199

PCA NOTE PCA does not read this as relaxing job accountability: CDC job reporting continues through the Form 1253 annual report and 1253A template, and retained jobs still need a documented at risk showing. Buyers should still expect the CDC to ask for a credible jobs projection and follow up after funding.

CDC · Buyer Source notice: 5000-869194 (Form 1253 CDC Annual Report and Form 1253A Job Opportunity template)

5 Third Party Lender participation

NEW HIGH IMPACT

TPL underwriting analysis for projects of $5 million or more

SOP 50 10 8 through 9/30/2026

No requirement to obtain the Third Party Lender's credit analysis; old ¶ B.1.b said only that "The terms of the Third Party Loan are defined in 13 CFR § 120.921."

SOP 50 10 8, Sec. C, Ch. 1, ¶ B.1.b, p. 332

SOP 50 10 8.1 from 10/1/2026

"For any 504 project with total project costs of at least $5,000,000, the CDC must obtain and retain the Third Party Lender's underwriting analysis and incorporate that analysis into the CDC credit memorandum." The TPL may send its full memo or only the narrative and financial analysis. The CDC memo must summarize the TPL's view of repayment ability, collateral coverage and material loan terms and "identify any differences" from the CDC's conclusions. The same rule is repeated in the credit memo and application contents.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ B.1.b, p. 202; ¶ E.1.b, p. 224; ¶ F.2.a.iii, p. 238

PCA NOTE On larger 504 deals the bank's credit memo now travels to the CDC and SBA, so any gap between the bank's and the CDC's view has to be reconciled in writing. Buyers should expect the bank and CDC to coordinate underwriting earlier, and banks should plan to share at least the narrative and spreads.

Lender · CDC · Buyer

6 Third Party Lender participation

NEW · MEDIUM IMPACT

Third Party Loan maturity cap

SOP 50 10 8 through 9/30/2026

The SOP pointed to 13 CFR 120.921 for Third Party Loan terms and set only minimum TPL terms (at least 7 years with a 10 year debenture, 10 years with a 20 or 25 year debenture).

SOP 50 10 8, Sec. C, Ch. 1, ¶ B.1.b, p. 332

SOP 50 10 8.1 from 10/1/2026

"The maturity of the Third Party Loan may not exceed that of the debenture term. Additional terms of the Third Party Loan are defined in 13 CFR § 120.921."

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ B.1.c, p. 202

PCA NOTE A bank first mortgage can no longer outlast the 504 debenture, for example a 30 year TPL behind a 25 year debenture. Lenders should size the first mortgage term within the debenture term from the term sheet stage.

Lender · CDC

7 Loan maturities

TIGHTENED · MEDIUM IMPACT

Third Party Loan amortization; multiple TPLs and balloons

SOP 50 10 8 through 9/30/2026

TPL minimum term of 7 or 10 years; "If there is more than one Third Party Loan, an overall loan maturity must be calculated"; "If there is a balloon payment, it must be justified in the loan report and clearly identified in the SBA issued E-Tran Terms and Conditions."

SOP 50 10 8, Sec. C, Ch. 1, ¶ D.2.c, p. 352

SOP 50 10 8.1 from 10/1/2026

Minimum TPL terms are unchanged, the multiple TPL and balloon sentences are deleted, and a new sentence is added: "The amortization of the Third Party Loan shall not exceed that of the 504 loan."

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ D.2.c, p. 223

PCA NOTE A bank can no longer, for example, amortize its first mortgage over 30 years behind a 25 year debenture to lower the payment. Buyers modeling debt service should assume the TPL amortizes no longer than the 504 loan. The SOP no longer states a balloon disclosure rule, but a TPL with a shorter maturity than its amortization is still allowed within the minimum term rules.

Lender · CDC · Buyer

8 Third Party Lender participation

LOOSENED · LOW IMPACT

Closing the TPL before debenture funding

SOP 50 10 8 through 9/30/2026

"The Third Party Loan may be closed and begin amortizing prior to the debenture funding as long as the Third Party Lender obtains the Borrower's written consent."

SOP 50 10 8, Sec. C, Ch. 1, ¶ B.1.d, p. 332

SOP 50 10 8.1 from 10/1/2026

"The Third Party Loan may be closed and begin amortizing prior to the debenture funding." The borrower written consent condition is removed.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ B.1.e, p. 202

PCA NOTE One less document at closing. Buyers should still read the bank commitment, since early amortization means paying principal on the first mortgage while the interim loan is outstanding.

Lender · Buyer

9 Third Party Lender participation

MOVED LOW IMPACT

Paragraph relettering

SOP 50 10 8 through 9/30/2026

Third Party Loan subparagraphs ran a to h (letter of intent a, terms b, 50% minimum c, early closing d, no cross default e, additional collateral f, swaps g, intercreditor h).

SOP 50 10 8, Sec. C, Ch. 1, ¶ B.1.a to B.1.h, pp. 332 to 333

SOP 50 10 8.1 from 10/1/2026

Subparagraphs now run a to i because of the new TPL underwriting paragraph (b): 50% minimum is d, early closing e, no cross default or "deem at risk" f, additional collateral g, swaps h, and the SBA Form 2287 intercreditor restriction i. Substance of those rules is unchanged.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ B.1.a to B.1.i, pp. 202 to 203

PCA NOTE Lenders citing SOP paragraphs in commitment letters or checklists should update the letters. The prohibition on cross default and deem at risk clauses in the bank note is unchanged.

Lender · CDC

10 Interim financing

REMOVED LOW IMPACT

Worked example deleted

SOP 50 10 8 through 9/30/2026

Section B.2 included an "Example of Interim Financing of Eligible Project Costs" ($900,000 project, $810,000 interim loan) and stated "The Borrower cannot be reimbursed directly from the net debenture proceeds, but the lender can refinance these with an interim loan at any time prior to the loan closing."

SOP 50 10 8, Sec. C, Ch. 1, ¶ B.2, p. 334

SOP 50 10 8.1 from 10/1/2026

The example table and the accompanying reimbursement sentence are removed. Interim financing text in ¶ B.2.a and b is unchanged, and eligible use ¶ C.5 still allows pre application expenditures "provided such expenditures (net of Applicant's contribution) are reimbursed by the Interim Lender."

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ B.2, pp. 203 to 204; ¶ C.5, p. 207

PCA NOTE The mechanics have not changed: pre application project costs are still recovered through the interim loan, not paid straight to the borrower from the debenture. Buyers who fronted deposits or land costs should keep their paid invoices so the interim lender can reimburse them.

Lender · Buyer

11 Eligible uses of proceeds

LOOSENED · HIGH IMPACT

Contingency fund cap and residual

SOP 50 10 8 through 9/30/2026

Contingency "May not exceed 10% of the Project construction costs." A residual not exceeding 2% of the debenture may be refunded to the small business at funding; "If the contingency residual is in excess of 2%, the debenture has to be reduced by the excess amount."

SOP 50 10 8, Sec. C, Ch. 1, ¶ C.8, p. 337

SOP 50 10 8.1 from 10/1/2026

Contingency "May not exceed 15% of the Project construction costs." A residual up to 2% of the debenture "may be refunded to the small business as working capital." If the residual exceeds 2% of the debenture just prior to closing, "the funds may not be distributed to the small business as working capital, and the debenture must be reduced by the unused amount" (the whole unused amount, not just the excess over 2%).

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ C.8, p. 207; see also Sec. C, Ch. 3, ¶ D.2, p. 265

PCA NOTE A 15% contingency gives construction and renovation projects real cushion for cost overruns. But if more than 2% of the debenture is left over, the borrower loses the whole unused balance, not just the part above 2%, so the contingency should be sized to the actual construction risk rather than padded.

Buyer · CDC · Lender   Source notice: 5000-872764

12 Eligible uses of proceeds

LOOSENED · MEDIUM IMPACT

Do it yourself construction cost support

SOP 50 10 8 through 9/30/2026

Do it yourself construction may be permitted if, among other things, "The cost is the same as, or less than, what an unaffiliated contractor would charge as evidenced by two bids on the work."

SOP 50 10 8, Sec. C, Ch. 1, ¶ C.9.b, p. 337

SOP 50 10 8.1 from 10/1/2026

The cost must be the same as or less than either (i) two unaffiliated contractor bids, or (ii) "A single estimate provided by a third party construction management firm, or by the Third Party Lender's existing internal construction management department" if that department routinely manages construction on similarly sized non SBA commercial loans.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ C.9.b.i and ii, p. 207

PCA NOTE Owner builders can now support their budget with one construction manager estimate instead of chasing two contractor bids. The experience and licensing test (C.9.a) and the no profit rule (C.9.c) are unchanged.

Buyer · Lender · CDC   Source notice: 5000-872764

13 504 refinancing

CLARIFIED · MEDIUM IMPACT

Qualified Debt seasoning measured from full disbursement

SOP 50 10 8 through 9/30/2026

Qualified Debt for Debt Refinance without Expansion must have been "incurred not less than 6 months prior to the date of application."

SOP 50 10 8, Sec. C, Ch. 1, ¶ C.10.a.i.b), p. 338

SOP 50 10 8.1 from 10/1/2026

Qualified Debt must have been "fully disbursed not less than 6 months prior to the date of application."

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ C.10.a.i.b), p. 208

PCA NOTE For construction loans, equipment draw loans or any loan still being advanced, the 6 month clock now starts at the last draw, not the note date. Owners planning a 504 refinance of a recently completed building should count from the final advance.

Buyer · Lender · CDC

14 504 refinancing

TIGHTENED · LOW IMPACT

Notice to existing SBA lender must be in the file

SOP 50 10 8 through 9/30/2026

When refinancing an existing 504 or 7(a) loan, the CDC must notify the existing CDC or 7(a) lender "in writing by letter or email no less than 10 business days" in advance.

SOP 50 10 8, Sec. C, Ch. 1, ¶ C.10.a.i.e)ii), p. 338

SOP 50 10 8.1 from 10/1/2026

Same 10 business day written notice, plus: "The notification must be included in the loan submission."

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ C.10.a.i.e)ii), p. 208

PCA NOTE CDCs should send the notice before submission and attach it; a missing copy is now a submission defect rather than a file item.

CDC · Lender

15 504 refinancing

LOOSENED · MEDIUM IMPACT

Loan cap when refinance without expansion has no job or policy goal

SOP 50 10 8 through 9/30/2026

If a Debt Refinance without Expansion does not meet job or other economic development objectives, the 504 loan may not exceed the number of employees "by $90,000" (example: 47.5 employees x $90,000 = $4,275,000).

SOP 50 10 8, Sec. C, Ch. 1, ¶ C.10.h, p. 341

SOP 50 10 8.1 from 10/1/2026

The multiplier becomes $95,000 per employee (example: 47.5 x $95,000 = $4,512,500).

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ C.10.h, pp. 211 to 212

PCA NOTE A business with a modest headcount can refinance a little more owner occupied real estate debt through 504 without meeting a job goal. Full time equivalents still count part timers pro rata on a 40 hour week.

Buyer · CDC Source notice: 90 FR 47117

16 504 refinancing

UNCHANGED MEDIUM IMPACT

Core refinance rules unchanged

SOP 50 10 8 through 9/30/2026

Debt Refinance without Expansion: applicant in operation for the full 2 years before application; Qualified Debt 75% used for Eligible Fixed Assets and secured by them for 6 months; maximum 90% loan to value of the Refinancing Project (C.10.i); supplemental annual fee (C.10.j); Same Institution Debt may be modified rather than re documented (C.10.m). Debt refinancing with expansion limited to 100% of expansion cost (C.11).

SOP 50 10 8, Sec. C, Ch. 1, ¶ C.10.b, p. 340; ¶ C.10.i and j, pp. 341 to 342; ¶ C.10.m, p. 344; ¶ C.11, p. 345

SOP 50 10 8.1 from 10/1/2026

Same rules, same paragraph letters; E-Tran references changed to "SBA Terms and Conditions." Unlike 7(a) refinancing, which moved to Appendix 14, 504 refinancing stays in Section C.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ C.10.b, p. 210; ¶ C.10.i and j, p. 212; ¶ C.10.m, p. 214; ¶ C.11, p. 215

PCA NOTE Readers looking for 504 refinance rules should stay in Section C, Chapter 1, Paragraphs C.10 and C.11; Appendix 14 covers 7(a) refinancing only.

Buyer · Lender · CDC

17 Eligible uses of proceeds

UNCHANGED MEDIUM IMPACT

Complete change of ownership through 504

SOP 50 10 8 through 9/30/2026

504 may finance only the eligible long term fixed assets in a change of ownership; goodwill and receivables must be financed elsewhere (which may include 7(a)); jobs retained must be documented; stock purchases allowed only to acquire real estate or fixed assets with de minimis excess value; the change must result in the Applicant owning 100% and the seller may not remain as officer, director, stockholder or Key Employee.

SOP 50 10 8, Sec. C, Ch. 1, ¶ C.13, p. 349

SOP 50 10 8.1 from 10/1/2026

Text unchanged and still located in Section C (not in the new 7(a) change of ownership Appendix 15).

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ C.13, pp. 219 to 220

PCA NOTE For acquisition buyers, the classic structure remains 504 for the real estate and a separate 7(a) for goodwill and working capital, and Policy Notice 5000-879058 now confirms the two limits are separate (see Debenture Limits).

Buyer · Seller · Broker · CDC

18 Debenture terms

LOOSENED HIGH IMPACT

Maximum debenture: 7(a) balances no longer counted

SOP 50 10 8 through 9/30/2026

Gross debenture limited to $5,000,000 outstanding per small business and affiliates, and "in calculating this limit, SBA loan guaranties, committed or outstanding, that the Applicant and its affiliates have received through the 504 or 7(a) (including Community Advantage) loan programs must be included."

SOP 50 10 8, Sec. C, Ch. 1, ¶ D.1.b, p. 351

SOP 50 10 8.1 from 10/1/2026

"To calculate this limit, include only all SBA 504 loans, committed or outstanding, that the Applicant and its affiliates have received." The $5,000,000 limit (with $5,500,000 per project for energy and small manufacturer projects) now counts 504 debentures only.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ D.1.b, p. 221

PCA NOTE This is the biggest capacity change in the chapter: a buyer can carry a full 7(a) (up to $5,000,000 gross, $3,750,000 guaranteed) for goodwill and working capital and still get a full 504 debenture for the real estate, roughly $10,000,000 of combined SBA financing. Deal teams should plan the 7(a) and 504 sequencing up front rather than trimming one to fit under a shared cap.

Buyer · Lender · CDC · Broker Source notice: Policy Notice 5000-879058

19 Debenture terms

REMOVED MEDIUM IMPACT

Energy project aggregate cap and cross program language

SOP 50 10 8 through 9/30/2026

Eligible Energy Public Policy Projects: $5,500,000 per project; "outstanding Gross Debentures ... for Eligible Energy Public Policy Projects must not exceed $16,500,000 in the aggregate"; the $5,500,000 per project limit (energy and small manufacturer) "is not reduced by any other outstanding SBA loan guaranties"; energy loans do not reduce the $5,000,000 limit for other 504 projects.

SOP 50 10 8, Sec. C, Ch. 1, ¶ D.1.c.i to iii and ¶ D.1.d, pp. 351 to 352

SOP 50 10 8.1 from 10/1/2026

Energy projects remain $5,500,000 per eligible project and still "do not reduce the $5,000,000 limit" for other 504 projects. The $16,500,000 aggregate cap sentence and the "not reduced by any other outstanding SBA loan guaranties" sentences are deleted. Small Manufacturer projects remain $5,500,000 per eligible project.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ D.1.c and D.1.d, pp. 221 to 223

PCA NOTE The SOP text no longer states the $16,500,000 energy aggregate, although it may still be set by statute or regulation. Borrowers with multiple energy or manufacturing projects should have the CDC confirm aggregate capacity with SBA before counting on more than three energy debentures.

Buyer · CDC Source notice: Policy Notice 5000-879058

20 Debenture terms

CLARIFIED · MEDIUM IMPACT

Multiple projects financed at the same time

SOP 50 10 8 through 9/30/2026

"Project" defined as the purchase, lease, improvement or renovation "of long term fixed assets" with 504 financing.

SOP 50 10 8, App. 3, "Project", p. 409

SOP 50 10 8.1 from 10/1/2026

"Project" now covers "one or more long term fixed assets" and adds: "Borrowers may finance multiple Projects simultaneously using separate 504 loans, subject to 504 Debenture limits."

SOP 50 10 8.1, App. 3, "Project", p. 284

PCA NOTE A growing company can run, for example, a building purchase and a separate equipment project as two 504 loans at once, as long as the combined debentures stay within the limits.

Buyer · CDC   Source notice: Policy Notice 5000-879058

21 Debenture terms

UNCHANGED · LOW IMPACT

Minimum debenture, maturities and interest rate basis

SOP 50 10 8 through 9/30/2026

Minimum debenture $25,000; 504 maturities of 10, 20 or 25 years (25 year maximum for real estate, 10 year minimum for equipment, mixed projects follow the majority asset class); debenture rates based on long term government debt at sale, with the 10 year Treasury benchmarking 20 and 25 year debentures and the 5 year Treasury the 10 year debenture.

SOP 50 10 8, Sec. C, Ch. 1, ¶ D.1.a, p. 351; ¶ D.2.a and b, p. 352; ¶ D.3, p. 352

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ D.1.a, p. 221; ¶ D.2.a and b, p. 223; ¶ D.3, p. 223

PCA NOTE The fixed debenture rate remains a main attraction of 504 for buyers of owner occupied real estate. The bank piece is still capped by the quarterly notice maximum rate, which stayed at Prime plus 6% throughout the period.

Buyer · Lender · CDC   Source notice: 5000-869911, 5000-872865, 5000-874719, 5000-877653 (quarterly notices keeping the Third Party Loan maximum rate at Prime + 6%)

22 Credit standards

NEW · MEDIUM IMPACT

Financial reporting hierarchy

SOP 50 10 8 through 9/30/2026

No stated hierarchy of financial statements; the credit memo began with the pro forma balance sheet analysis.

SOP 50 10 8, Sec. C, Ch. 1, ¶ E.1.a, p. 353

SOP 50 10 8.1 from 10/1/2026

"The credit analysis must primarily focus on the highest level of financial statements available" in this order: "(1) Audited Financial Statements, (2) Reviewed Financial Statements (Prepared to AICPA SSARS AR-C 90 standards), (3) CPA Compiled Financial Statements, and (4) Corporate Tax Returns." Where a higher level statement is used, the memo "must also include a review of the corporate tax return for eligibility."

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ E.1.a.i and ii, p. 224

PCA NOTE If a target has reviewed or audited statements, the CDC must underwrite from them, not from tax returns, and then reconcile to the returns. Buyers should ask sellers early for the best CPA prepared statements available.

CDC · Buyer · Lender

23 Credit standards

MOVED · LOW IMPACT

Credit memorandum paragraph relettering

SOP 50 10 8 through 9/30/2026

Credit memo items ran a to q: pro forma a, repayment b, Borrower's contribution c, additional contribution or collateral d, global cash flow e, ... credit reports l, current on taxes m, prior loss n, delinquencies o, affiliate statements p, miscellaneous q.

SOP 50 10 8, Sec. C, Ch. 1, ¶ E.1.a to E.1.q, pp. 353 to 359

SOP 50 10 8.1 from 10/1/2026

Two new items (Financial Reporting a, TPL Underwriting b) push everything down two letters: pro forma c, repayment d, Borrower's contribution e, additional contribution or collateral f, global cash flow g, ... credit reports n, current on taxes o, prior loss p, delinquencies q, affiliate statements r, miscellaneous s.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ E.1.a to E.1.s, pp. 224 to 231

PCA NOTE Anyone citing the equity injection rule should now cite E.1.e, not E.1.c.

CDC · Lender

24 Credit standards

CLARIFIED · LOW IMPACT

Pro forma balance sheet: post closing credit facilities

SOP 50 10 8 through 9/30/2026

Pro forma balance sheet analysis "must include a complete debt schedule and discussion on the types and terms of the existing loans, debt, or credit facilities."

SOP 50 10 8, Sec. C, Ch. 1, ¶ E.1.a.ii, p. 353

SOP 50 10 8.1 from 10/1/2026

Same, plus: "This includes a review of the credit facilities that will be in place following the 504 transaction closing."

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ E.1.c.ii.a), p. 224

PCA NOTE Any companion 7(a), seller note or revolving line that will exist after closing needs to be in the CDC's debt schedule and analysis.

CDC · Lender

25 Credit standards

TIGHTENED HIGH IMPACT

Debt service coverage ratio

SOP 50 10 8 through 9/30/2026

"The Applicant's debt service coverage ratio (operating cash flow divided by debt service) must be equal to or greater than 1:1 based on calculations acceptable to SLPC." Debt service was future principal and interest on all business debt including the new SBA loan.

SOP 50 10 8, Sec. C, Ch. 1, ¶ E.1.b.ii, p. 353

SOP 50 10 8.1 from 10/1/2026

"For all 504 transactions" DSC "must be calculated on a historical basis using either the last fiscal year end or an average of the last two fiscal year end statements" and "must be equal to or greater than 1.15:1." DSC is EBITDA divided by "the combined debt service post transaction"; CDCs "must assume interest only payments on fully drawn lines of credit." The CDC must prepare a Global Cash Flow and justify adjustments such as rent, unfunded capital expenditures, non recurring income, distributions, S corporation tax distributions and owner compensation.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ E.1.d.ii, p. 225

PCA NOTE This moves 504 from a 1.0x floor to a 1.15x historical floor on EBITDA, with the buyer's post closing debt (including any companion 7(a) and a line assumed fully drawn) in the denominator. Buyers of businesses with thin historical coverage should expect the CDC to rely on projections or require more equity, and owner compensation and distribution adjustments must be documented.

Buyer · CDC · Lender · Broker

26 Credit standards

CLARIFIED LOW IMPACT

Projection based analysis trigger

SOP 50 10 8 through 9/30/2026

Projection based projects require at least 2 years of projections, projected DSC with assumptions, justification of growth and expense cuts, Year 1 liquidity if repayment only shows in Year 2, and construction period interest analysis.

SOP 50 10 8, Sec. C, Ch. 1, ¶ E.1.b.v, pp. 353 to 354

SOP 50 10 8.1 from 10/1/2026

Same requirements, now introduced with: "If the historical cash flow does not show sufficient debt service coverage after the effects of the SBA loan, the CDC must analyze projections" under these rules.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ E.1.d.v, pp. 225 to 226

PCA NOTE Historical coverage comes first; projections are the fallback when history falls short of 1.15x, and they must be supported by specific evidence such as new product lines, contracts or facilities.

CDC · Buyer

27 Credit standards

UNCHANGED HIGH IMPACT

Borrower's contribution (equity injection) 10%, 15%, 20%

SOP 50 10 8 through 9/30/2026

All borrowers at least 10% (may be borrowed if subordinate to the TPL and 504); New Businesses at least 15% with the debenture capped at 35%; Limited or Special Purpose Property at least 15% (35% debenture); new business with Limited or Special Purpose Property at least 20% (30% debenture). Equity in previously acquired project land, buildings or equipment may count; memo must address Limited or Special Purpose status; list of such properties (hotels, gas stations, car washes, medical facilities and others).

SOP 50 10 8, Sec. C, Ch. 1, ¶ E.1.c, pp. 354 to 356

SOP 50 10 8.1 from 10/1/2026

Unchanged in substance; relettered to E.1.e.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ E.1.e, pp. 226 to 228

PCA NOTE The 10/15/20 injection grid is the same for 504 buyers. A buyer of a hotel or car wash who is also a New Business still needs 20% down, and borrowed equity must be subordinate and not repaid faster than the 504 loan without SBA consent.

Buyer · CDC · Lender · Broker

28 Credit standards

TIGHTENED MEDIUM IMPACT

Credit report age

SOP 50 10 8 through 9/30/2026

CDCs must obtain and review credit reports for the applicant, guarantor owners and guarantor affiliates; "Credit reports are not required on non guarantor affiliates." No age limit was stated; the application list required "Credit reports for" the applicant, 20% owners, affiliates and guarantors.

SOP 50 10 8, Sec. C, Ch. 1, ¶ E.1.l, p. 358; ¶ F.2.a.xii, p. 367

SOP 50 10 8.1 from 10/1/2026

Adds "Credit reports must be current within 90 days of loan approval" and the application list now requires "Credit reports, dated within 90 days."

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ E.1.n, p. 230; ¶ F.2.a.xiii, p. 240

PCA NOTE Slow moving deals may need credit pulled again before approval. Buyers should expect a fresh pull if approval slips past 90 days.

CDC · Buyer

29 Collateral

NEW MEDIUM IMPACT

Non environmental open ended indemnification in title

SOP 50 10 8 through 9/30/2026

Environmental indemnification provisions running with the land must be removed or waived as to the Federal Government; other non environmental indemnification provisions were reviewed for collateral impact and sent to EnvironmentalReviews@sba.gov for clearance.

SOP 50 10 8, Sec. C, Ch. 1, ¶ E.2.a.i.c), p. 361

SOP 50 10 8.1 from 10/1/2026

New ¶ d): the CDC "must review all real estate title documents" for "non environmental open ended (indefinite) indemnification provisions" (rights to indemnification from later owners, such as SBA after foreclosure). The CDC must try to obtain and record, before closing, a written waiver and release that the provision is not enforceable against the Federal Government or SBA; if it cannot, it must submit a 327 action to SLPC identifying the provision and documenting its attempts.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ E.2.a.i.d), p. 232

PCA NOTE Title review now needs to flag indemnity covenants in old deeds, common in developer or corporate sale deeds. Sellers may be asked to help get a recorded waiver from the benefiting party, so buyers should raise this in the purchase agreement.

CDC · Lender · Seller

30 Collateral

TIGHTENED HIGH IMPACT

Appraisal must support 100% of value: non arm's length and change of ownership

SOP 50 10 8 through 9/30/2026

"For non arm's length change of ownership projects, the property must appraise for 100% of the estimated value." Purchase price limited to the lesser of the as is appraised value or the purchase price of 504 eligible fixed assets.

SOP 50 10 8, Sec. C, Ch. 1, ¶ E.2.b.i.j)v), p. 364

SOP 50 10 8.1 from 10/1/2026

"For both non arm's length transactions and change of ownership projects, the property must appraise for 100% of the estimated value." The purchase price limit (lesser of as is value or purchase price of eligible fixed assets) is unchanged.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ E.2.b.i.j)v), p. 236

PCA NOTE Any change of ownership, even between unrelated parties, and any related party deal now needs the appraisal to come in at 100%, not the 90% tolerance that applies elsewhere (E.2.b.i.i)). Buyers should get the appraisal ordered before the financing contingency expires and keep the real estate allocation of the price close to market value.

Buyer · Seller · CDC · Broker Source notice: 5000-872764

31 Collateral

UNCHANGED MEDIUM IMPACT

Appraisal thresholds and standards

SOP 50 10 8 through 9/30/2026

Real estate appraisal required above $500,000 estimated value (and at or below $500,000 in listed cases including close relationship deals, seller carry back in the borrower contribution and change of ownership); State certified appraiser above $1,000,000; USPAP report dated within 12 months of application; SBA named as client or intended user; if appraisal is under 90% of estimated value, debenture reduced or added collateral or equity required unless strong cash flow.

SOP 50 10 8, Sec. C, Ch. 1, ¶ E.2.b.i.a) to i), pp. 362 to 364

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ E.2.b.i.a) to i), pp. 234 to 236

PCA NOTE The 90% tolerance still applies to arm's length purchases without a change of ownership.

Buyer · CDC · Lender

32 Application submission

CLARIFIED LOW IMPACT

E-Tran renamed SBA Loan System

SOP 50 10 8 through 9/30/2026

Submissions, 327 actions and Terms and Conditions were described as made through "E-Tran" ("SBA E-Tran Terms and Conditions").

SOP 50 10 8, Sec. C, Ch. 1, ¶ F.1 to F.3, pp. 365 to 370; Sec. C, Ch. 2 (title and ¶ A to B), pp. 371 to 375

SOP 50 10 8.1 from 10/1/2026

References now say "the SBA Loan System" and "SBA Terms and Conditions"; the user guide is the "504 User Guide for submitting loan applications." Chapter 2 is retitled "SBA Terms and Conditions through Disbursement."

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ F.1 to F.3, pp. 237 to 244; Sec. C, Ch. 2 (title and ¶ A to B), pp. 245 to 250

PCA NOTE A naming change with no new substantive requirement; document templates and checklists referencing E-Tran Terms and Conditions should be updated.

CDC · Lender Source notice: 5000-880695

33 Application submission

TIGHTENED MEDIUM IMPACT

SBA Form 413 personal financial statement age

SOP 50 10 8 through 9/30/2026

SBA Form 413 (or CDC equivalent) "signed and dated within 120 days" for 20% owners and guarantors; original signatures not required on Form 413 or equivalent.

SOP 50 10 8, Sec. C, Ch. 1, ¶ F.2.a.xi, p. 367; ¶ F.2.b.iv, p. 368

SOP 50 10 8.1 from 10/1/2026

Form 413 must be "signed and dated within 90 days," and ¶ F.2.b.iv now says "dated within 90 days of loan approval."

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ F.2.a.xii, p. 240; ¶ F.2.b.iv, p. 241

PCA NOTE The Form 413 renewal notice said 120 days, but the 504 SOP now requires 90, and ¶ F.2.b.iv measures from loan approval. Buyers and guarantors should expect to refresh personal financial statements if approval runs long.

Buyer · CDC Source notice: 5000-868123 (Form 413 renewal stated 120 days)

34 Application submission

TIGHTENED HIGH IMPACT

Ownership citizenship documentation

SOP 50 10 8 through 9/30/2026

"Documentation of U.S. National and/or LPR/USCIS status verification": lenders must receive verification of the status of each alien required to submit USCIS documents before submission; CDCs may submit the USCIS or SLPC verification or confirm it in the memo; retain proof of U.S. National status.

SOP 50 10 8, Sec. C, Ch. 1, ¶ F.2.a.xxi, p. 368

SOP 50 10 8.1 from 10/1/2026

"Documentation of U.S. National in accordance with Section A, Ch. 1, Para. F." CDCs must verify each U.S. National's status, document the findings (birth certificate and/or passport) in the file, and "enter the U.S. National's Social Security Number on the Application in the SBA Loan System." The LPR/USCIS verification path is deleted.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ F.2.a.xxii, p. 241

PCA NOTE Consistent with the 100% U.S. citizen or national ownership rule, lawful permanent residents can no longer own any part of a 504 borrower. Buyers with LPR partners or investors must restructure ownership before applying.

Buyer · CDC Source notice: 5000-876626; Policy Notice 5000-876441

35 Application submission

CLARIFIED LOW IMPACT

Application list renumbering and ASM cross reference

SOP 50 10 8 through 9/30/2026

Application contents ran i to xxii; ASM submissions required "items in 2.a.i. through 2.a.xiv," which ended with the balance sheet and income statement dated within 120 days.

SOP 50 10 8, Sec. C, Ch. 1, ¶ F.2.a, pp. 366 to 368; ¶ F.3.d.i, p. 369

SOP 50 10 8.1 from 10/1/2026

A new item iii (TPL underwriting analysis for projects of $5,000,000 or more) shifts the list to i to xxiii, but ASM still says "2.a.i. through 2.a.xiv," which now ends at the size standard financial statements; the interim balance sheet and income statement dated within 120 days is item xv.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ F.2.a, pp. 238 to 241; ¶ F.3.d.i, p. 242

PCA NOTE PCA reads this as a renumbering side effect rather than a policy change. CDCs using ASM should keep including the current interim statements until SBA clarifies.

CDC

36 Application submission

NEW · MEDIUM IMPACT

Reconsideration of declined non delegated 504 loans

SOP 50 10 8 through 9/30/2026

No 504 specific reconsideration procedure in Section C.

Not addressed

SOP 50 10 8.1 from 10/1/2026

If the reasons for decline have been overcome, the CDC may request reconsideration "within 6 months of the date of decline" with a detailed written explanation; a request made "more than 120 days after the date of decline must include current financial statements." After two SLPC declines, a third request may go to the D/FA or designee "whose decision is final," submitted through SLPC with the decline letter and new information.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ F.4, p. 244

PCA NOTE A declined 504 application has a defined path back: fix the issue and resubmit within 6 months. Buyers should ask the CDC for the decline reasons in writing so the reconsideration request can address each one.

CDC · Buyer

37 SBA terms and conditions

TIGHTENED · MEDIUM IMPACT

Disbursement period and extension requests

SOP 50 10 8 through 9/30/2026

Loans must be disbursed within 48 months (9 months for Debt Refinance without Expansion, extendable to 15 months). A CDC "may request an exception to policy"; CDCs must give SLPC the reason and document how sources and uses were adjusted for cost increases.

SOP 50 10 8, Sec. C, Ch. 2, ¶ A.2.a, p. 371

SOP 50 10 8.1 from 10/1/2026

Same 48 month and 9/15 month limits. Extensions must be submitted "through the SLPC as a 327 action" with: (i) the reason and "a detailed timeline for project completion and funding"; (ii) "A determination of no adverse change"; (iii) "Updated financial statements dated within 120 days (or 90 days for personal financial statements)" with analysis; (iv) revised sources and uses. PCLP CDCs submit these directly through the SBA Loan System with notice to SLPC.

SOP 50 10 8.1, Sec. C, Ch. 2, ¶ A.2.a, pp. 245 to 246

PCA NOTE Construction projects that run long now need a full package, including fresh financials and a no adverse change finding, to keep the approval alive. Buyers should build realistic construction timelines and track the 48 month date. The PCLP sentence cross references Ch. 1, ¶ F.2.a.i to iv, which appears to mean the four items listed here.

CDC · Buyer · Lender Source notice: 5000-872764

38 SBA terms and conditions

MOVED LOW IMPACT

ALP Express modification list renumbered

SOP 50 10 8 through 9/30/2026

ALP Express servicing actions were ¶ B.3.a to e (correct street address a, change TPL or interim lender b, add omitted co borrowers c, reduce standby debt d, de minimis use of proceeds increases up to 10% of total project cost e).

SOP 50 10 8, Sec. C, Ch. 2, ¶ B.3.a to B.3.e, pp. 374 to 375

SOP 50 10 8.1 from 10/1/2026

Same actions now appear as ¶ B.4 to B.7 and B.7.a; PCLP items move from ¶ B.4 to B.8, post approval 327 guidance from B.5 to B.9, and the no modification after debenture closing rule from B.6 to B.10.

SOP 50 10 8.1, Sec. C, Ch. 2, ¶ B.3 to B.10, pp. 249 to 250

PCA NOTE No change in ALP Express authority; the 10% de minimis reallocation is still referred to elsewhere as "B.3.e."

CDC

39 SBA terms and conditions

TIGHTENED MEDIUM IMPACT

PCLP unilateral modification capped at 48 months

SOP 50 10 8 through 9/30/2026

"Generally, PCLP CDCs may modify and extend the E-Tran Terms and Conditions using their unilateral authority" and upload the final terms within 15 business days after funding.

SOP 50 10 8, Sec. C, Ch. 2, ¶ B.4.a, p. 375

SOP 50 10 8.1 from 10/1/2026

PCLP CDCs may modify and extend the SBA Terms and Conditions "up to 48 months from the date of approval using their unilateral authority"; upload within 15 business days after funding is unchanged.

SOP 50 10 8.1, Sec. C, Ch. 2, ¶ B.8.a, p. 249

PCA NOTE PCLP CDCs can no longer extend a deal past 48 months on their own; anything longer needs the SLPC exception process described in ¶ A.2.a.

CDC Source notice: 5000-872764

40 Closing and disbursement

NEW MEDIUM IMPACT

Debt refinance balances that pay down before closing

SOP 50 10 8 through 9/30/2026

The CDC certifies project costs and contributions; for debt refinancing, a transcript of account and settlement statement; "No funds should be paid directly to the Borrower unless the CDC obtains evidence of the Borrower's payments." No specific guidance on refinanced balances that drop between approval and closing.

SOP 50 10 8, Sec. C, Ch. 2, ¶ C.5.a.i.e), p. 383

SOP 50 10 8.1 from 10/1/2026

Refinanced principal may decrease between approval and closing because of the borrower's payments. The CDC must document the change and give it to District Counsel with the closing package (OCRM will review). No 327 action is needed to reduce the approved refinance amount for these paydowns, and the principal paid may be reimbursed to the borrower from interim financing or from the debenture if no interim loan is used. A 327 action is still required when approved project costs are reallocated, except ALP Express de minimis reallocations.

SOP 50 10 8.1, Sec. C, Ch. 2, ¶ C.5.a.i.e), pp. 256 to 257

PCA NOTE Borrowers keep making payments on the old loan while the 504 closes, and those principal payments can be reimbursed at closing without a formal modification. Keep bank statements showing each payment.

CDC · Buyer · Lender Source notice: 5000-872764

41 Closing and disbursement

TIGHTENED LOW IMPACT

Third Party Lender participation fee

SOP 50 10 8 through 9/30/2026

Closing documents sent to the CSA included a "Third Party Lender participation fee check (if not being deducted from the CDC processing fee) (original)."

SOP 50 10 8, Sec. C, Ch. 2, ¶ C.5.a.xi.f), p. 385

SOP 50 10 8.1 from 10/1/2026

"Third party lender participation fees must be withheld from the CDC Processing Fee. Checks or other paper instruments are not accepted."

SOP 50 10 8.1, Sec. C, Ch. 2, ¶ C.5.a.xi.f), p. 259

PCA NOTE The 0.50% one time participation fee on a senior TPL is now collected only by withholding it from the CDC processing fee at the debenture sale. The Section A fee table still says the fee may be paid by the TPL, CDC or Borrower, so the CDC and bank should agree at term sheet who bears it economically.

Lender · CDC

42 Debenture pricing and funding

UNCHANGED LOW IMPACT

Pricing model and funding mechanics

SOP 50 10 8 through 9/30/2026

Gross Debenture equals net debenture plus SBA guaranty fee (0.5%), funding fee (0.25%), CDC processing fee (1.5%) and closing costs, divided by 0.996 (0.99625 for 10 year) for the underwriter's fee and rounded up to the next even thousand; debenture priced at application and repriced for changes; unused contingency of 2% or less refunded by the CSA, more than 2% requires a modification; sales normally on the Wednesday after the second Sunday of each month.

SOP 50 10 8, Sec. C, Ch. 3, ¶ A to F, pp. 389 to 392

SOP 50 10 8.1 from 10/1/2026

Unchanged.

SOP 50 10 8.1, Sec. C, Ch. 3, ¶ A to F, pp. 263 to 266

PCA NOTE The pricing example still shows a 0.5% SBA guaranty fee even though the fee notices waive it for many borrowers, so buyers should price from the fee notice in effect on their approval date. Closing timing follows the annual funding schedule notices.

CDC · Buyer Source notice: 5000-869666 (CY2026 funding schedule); 5000-881289 (CY2027 funding schedule)

43 504 fees

UNCHANGED MEDIUM IMPACT

FY2026 fees (loans approved Oct. 1, 2025 to Sept. 30, 2026)

SOP 50 10 8 through 9/30/2026

The SBA fee table lists the up front guaranty fee, annual fee and Debt Refinance without Expansion supplemental fee as "Refer to www.sba.gov for notices on fee updates by fiscal year"; participation fee 0.50% of the senior loan; CDC fee 0.125%; funding fee 0.25%.

SOP 50 10 8, Sec. A, Ch. 4, ¶ E.2, pp. 78 to 79

SOP 50 10 8.1 from 10/1/2026

Fee table unchanged. Per the notice: up front and annual fees waived for manufacturers (NAICS 31 to 33), including debt refinance with or without expansion; all other 504 loans 0.50% up front and 0.209% annual; Debt Refinance without Expansion (non manufacturers) 0.2115% annual.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ E.2, pp. 81 to 82

PCA NOTE Manufacturers approved in FY2026 paid no SBA guaranty or annual fee on the debenture, a meaningful saving over a 25 year term.

Buyer · CDC Source notice: 5000-871532

44 504 fees

NEW MEDIUM IMPACT

FY2027 fees (loans approved Oct. 1, 2026 to Sept. 30, 2027)

SOP 50 10 8 through 9/30/2026

FY2026 waiver applied only to manufacturers (NAICS 31 to 33).

SOP 50 10 8, Sec. A, Ch. 4, ¶ E.2, pp. 78 to 79 (fees set by notice)

SOP 50 10 8.1 from 10/1/2026

Up front and annual fees waived for 504 loans to manufacturers (NAICS 31 to 33), listed food supply chain NAICS codes and businesses in rural areas, including Debt Refinance with or without Expansion. All other 504 loans: 0.50% up front and 0.203% annual (0.204% for Debt Refinance without Expansion).

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ E.2, pp. 81 to 82 (fees set by notice)

PCA NOTE For deals approved from October 1, 2026, rural and food supply chain businesses join manufacturers in paying no SBA fees on the debenture. Buyers of rural operating businesses should confirm the property's rural status with the CDC before pricing the deal.

Buyer · CDC · Broker Source notice: 5000-881796

CHANGE LOG

Definitions, Acronyms and Terminology

SBA reorganized SOP 50 10 8.1 mainly for consolidation: it pulled refinancing, change of ownership, guaranty, maturity, interest rate, collateral and submission rules out of each Section B delivery chapter and put them in shared Appendices 14 to 20. Each of those appendices opens with "This Appendix consolidates ... requirements applicable to all 7(a) loan programs," and Appendix 15 explains that change of ownership deals "have grown to be among the largest categories of 7(a) lending" and need "clearer guidelines." MARC (from PN 5000-870260, where it was Appendix 13) is now Section B Chapter 3. CAPLines, Export and closing move to Chapters 4 to 6, and Appendix 9 (sample borrowing base certificate) is deleted. Neither SOP has a narrative summary of changes, and User Tips are essentially unchanged. In Appendix 3, the key additions are Business Purchase Price, Quality of Earnings, Non-controlling Minority Equity Investments, Sales-Based Repayment Agreement, In Margin, Principal Residence, SBA Loan System and SBA Terms and Conditions. Ineligible Person was rewritten to exclude LPRs, U.S. citizens living abroad, PRC and Hong Kong citizens and foreign entities. New Business lost its same geographic area test, Key Employee was broadened, and Project now allows multiple simultaneous 504 loans. Appendix 2 drops E-Tran and SBSS and adds QoE.

NEW 10 · CLARIFIED 8 · MOVED 3 · REMOVED 3 · UNCHANGED 3 · TIGHTENED 2 · LOOSENED 2

1 SOP summary and User Tips

CLARIFIED · LOW IMPACT

Front matter

SOP 50 10 8 through 9/30/2026

The SOP summary identifies Version 8 replacing 50 10 7.1, effective June 1, 2025. User Tips describe the three section layout (Section A core, Section B 7(a), Section C 504) and point readers to a training video on navigating SOP 50 10 in Microsoft Word.

SOP 50 10 8, Summary, p. 3; User Tips, p. 7

SOP 50 10 8.1 from 10/1/2026

The summary identifies Version 8.1 replacing 50 10 8, effective October 1, 2026, with "Key Pages Affected: All." User Tips keep the same three section layout and navigation hints; the training video link is replaced with "Additional training is available on SBA's training on demand." Neither version contains a narrative summary of changes.

SOP 50 10 8.1, Summary, p. 2; User Tips, p. 7

PCA NOTE PCA notes that SBA did not publish a redline or change summary inside the SOP itself; the only stated rationale for the restructure is the "This Appendix consolidates" language opening each of Appendices 14 to 20 and the change of ownership preamble in Appendix 15. Readers should rely on a crosswalk rather than the User Tips to find relocated rules.

Lender   Source notice: 5000-880695

2 Business loan requirements overview and exceptions to policy

CLARIFIED   LOW IMPACT

Introduction

SOP 50 10 8 through 9/30/2026

Lists Section B Chapters 1 to 5, with Chapter 5 covering E-Tran Terms and Conditions through disbursement. Delegated lenders request exceptions at 7aDelegatedLoanApps@sba.gov with the names of the principals, address of the project, and the policy discussion.

SOP 50 10 8, SBA 7(a) and 504 Business Loan Requirements, p. 9 to 10

SOP 50 10 8.1 from 10/1/2026

Lists Section B Chapters 1 to 6, adding Chapter 3 MARC and moving closing and disbursement to Chapter 6 ("SBA Terms and Conditions"). Exception requests must also state "the name of the Applicant ... loan amount, delivery method," and question emails to 7aDelegatedLoanApps must "indicate the loan amount and delivery method."

SOP 50 10 8.1, SBA 7(a) and 504 Business Loan Requirements, p. 9 to 10

PCA NOTE For lenders, exception requests now need the applicant name, loan amount and delivery method up front or they will bounce. Buyers pursuing an unusual structure should expect their lender to package these facts before asking SBA.

Lender

3 Restructure of Section B into Appendices 14 to 20

MOVED   HIGH IMPACT

Consolidation

SOP 50 10 8 through 9/30/2026

Refinancing, change of ownership, guaranty percentages, maturities, interest rates, collateral and application contents were written out separately inside each delivery chapter (Standard 7(a) Ch. 1, 7(a) Small and SBA Express Ch. 2, CAPLines Ch. 3, Export Ch. 4).

SOP 50 10 8, Sec. B, Ch. 1 to 4, p. 113 to 310

SOP 50 10 8.1 from 10/1/2026

Each delivery chapter now cross references a single consolidated appendix: App. 14 refinancing, App. 15 changes of ownership, App. 16 guaranty amounts, App. 17 maturities, App. 18 interest rates, App. 19 collateral, App. 20 submission. Each opens with "This Appendix consolidates ... requirements applicable to all 7(a) loan programs" and lists program specific exceptions in a Paragraph B.

SOP 50 10 8.1, Sec. B, Ch. 1 to 5 (p. 117 to 181); App. 14 to 20, p. 335 to 417

PCA NOTE PCA sees this as the biggest usability change in 8.1: Section B chapters shrink from roughly 200 pages to about 65, and the rules live in shared appendices. Anyone with checklists or credit memo templates keyed to old paragraph numbers (for example Sec. B, Ch. 1, ¶ A.2 or ¶ C.3.e) needs to re map them to Appendices 14 to 20.

Lender · Buyer · Broker   Source notice: 5000-880695

4 New Chapter 3 MARC and chapter renumbering

NEW HIGH IMPACT

Section B

SOP 50 10 8 through 9/30/2026

Section B had five chapters: Ch. 3 CAPLines, Ch. 4 Export Trade Finance, Ch. 5 E-Tran Terms and Conditions through Disbursement. MARC did not exist in the base SOP; PN 5000-870260 added it as "Appendix 13" effective October 1, 2025.

SOP 50 10 8, Sec. B, Ch. 3 to 5, p. 189 to 326; PN 5000-870260

SOP 50 10 8.1 from 10/1/2026

MARC is now Sec. B, Ch. 3 "7(a) Manufacturers' Access to Revolving Credit (MARC)" (eligibility, terms, credit standards, fees, designation, post closing annual review, servicing). CAPLines becomes Ch. 4, Export Trade Finance Ch. 5, and closing and disbursement Ch. 6. There is no Appendix 13 in 8.1.

SOP 50 10 8.1, Sec. B, Ch. 3, p. 135 to 143; Ch. 4 to 6, p. 145 to 196

PCA NOTE Manufacturing buyers and owners now have a permanent SOP chapter for revolving and term MARC credit instead of a stand alone notice. Any cite to "Chapter 5" for closing items must now read "Chapter 6."

Lender · Buyer Source notice: 5000-870260; 5000-872764; 5000-880695

5 Appendix 9 Sample Borrowing Base Certificate

REMOVED MEDIUM IMPACT

Appendices

SOP 50 10 8 through 9/30/2026

Appendix 9 provided a multi page "Sample Borrowing Base Certificate and Report to Lender" for asset based borrowers reconciling receivables and inventory.

SOP 50 10 8, App. 9, p. 451 to 458

SOP 50 10 8.1 from 10/1/2026

Appendix 9 is deleted (the appendix list jumps from 8 to 10). The Working Capital CAPLine borrowing base formula (eligible A/R times advance rate plus eligible inventory times advance rate, capped at the note amount) now sits in the CAPLines closing and disbursement rules in App. 20.

SOP 50 10 8.1, App. 20, ¶ B.2.d, p. 397 to 398

PCA NOTE Lenders must now use their own BBC form that captures the App. 20 formula and In Margin test; SBA no longer supplies a template. Borrowers on revolving lines should expect lender specific certificates.

Lender

6 Appendix 2 Acronyms

REMOVED LOW IMPACT

E-Tran

SOP 50 10 8 through 9/30/2026

"E-Tran: Electronic Transmission" was listed, and the SOP used "E-Tran" about 199 times.

SOP 50 10 8, App. 2, p. 398

SOP 50 10 8.1 from 10/1/2026

The E-Tran acronym is deleted. The SOP now refers to the "SBA Loan System" (86 uses; only 6 residual E-Tran mentions remain), defined in App. 3.

SOP 50 10 8.1, App. 2, p. 271 to 276

PCA NOTE A naming change only, but it signals SBA's intent to replace E-Tran; lenders should update procedures to the generic term so they survive a platform change.

Lender · CDC

7 Appendix 2 Acronyms

REMOVED MEDIUM IMPACT

SBSS

SOP 50 10 8 through 9/30/2026

"SBSS: Small Business Scoring Service (SM) Score" was listed and used in 7(a) Small underwriting.

SOP 50 10 8, App. 2, p. 401

SOP 50 10 8.1 from 10/1/2026

SBSS is deleted from the acronym list and from the SOP text (0 references).

SOP 50 10 8.1, App. 2, p. 271 to 276

PCA NOTE This confirms the sunset of the SBSS credit score for 7(a) Small loans; smaller deals are now underwritten with a full commercial credit analysis and a 1.10 DSC floor rather than a score cutoff.

Lender · Buyer Source notice: 5000-875701; 5000-876777

8 Appendix 2 Acronyms

NEW LOW IMPACT

QoE

SOP 50 10 8 through 9/30/2026

No QoE acronym.

Not addressed

SOP 50 10 8.1 from 10/1/2026

"QoE: Quality of Earnings" is added. No acronyms were added for MARC or WCP.

SOP 50 10 8.1, App. 2, p. 275

PCA NOTE Small but telling: SBA now treats a QoE as a defined SBA deliverable in change of ownership deals.

Lender · Buyer Source notice: 5000-880695

9 Appendix 3 Definitions

UNCHANGED MEDIUM IMPACT

Associate

SOP 50 10 8 through 9/30/2026

Associate of a small business: an officer, director, owner of more than 20 percent of the equity, or Key Employee; any entity 20 percent owned by such persons; the relationship starts six months before application. The citizenship six month lookback applied to "any Associate of the business."

SOP 50 10 8, App. 3, p. 403 to 404; Sec. A, Ch. 1, ¶ F, p. 27 to 28

SOP 50 10 8.1 from 10/1/2026

The Associate definition text is unchanged. The citizenship six month lookback is now keyed to "any direct or indirect owner of the business" rather than to Associates.

SOP 50 10 8.1, App. 3, p. 277 to 278; Sec. A, Ch. 1, ¶ F, p. 29

PCA NOTE Because the definition of Key Employee widened (see below), more managers can fall inside the Associate net for conflict of interest and fee purposes, even though the citizenship lookback now focuses on owners.

Lender · Buyer Source notice: 5000-876441; 5000-876626

10 Appendix 3 Definitions

NEW HIGH IMPACT

Business Purchase Price

SOP 50 10 8 through 9/30/2026

No defined term. Valuation thresholds were measured by "the amount being financed (including any 7(a), 504, seller, or other financing) minus the appraised value of real estate and/or equipment."

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.3.e.v, p. 142

SOP 50 10 8.1 from 10/1/2026

"Business Purchase Price: In a change of ownership transaction, the price set by the purchase and sales agreement, less the portion of owner-occupied commercial real estate assets being acquired in the transaction. The portion of the owner-occupied commercial real estate is established by the appraised value."

SOP 50 10 8.1, App. 3, p. 278; App. 15, ¶ A.2, p. 342

PCA NOTE This number drives the QoE trigger ($3 million for Initial Acquisitions and Business Expansions) and equity math regardless of how much seller debt or equity is used, so buyers cannot structure around the threshold. Only owner occupied real estate at appraised value comes out; equipment no longer does.

Buyer · Lender · Seller · Broker Source notice: 5000-880695

11 Appendix 3 Definitions

MOVED LOW IMPACT

E-Tran Terms and Conditions renamed SBA Terms and Conditions

SOP 50 10 8 through 9/30/2026

"E-Tran Terms and Conditions: The digital loan guaranty authorization request by the Lender to SBA ... submitted in E-Tran."

SOP 50 10 8, App. 3, p. 405

SOP 50 10 8.1 from 10/1/2026

Replaced by "SBA Terms and Conditions: The digital loan guaranty authorization request by the Lender to SBA ... submitted in the SBA Loan System." Substance unchanged.

SOP 50 10 8.1, App. 3, p. 286

PCA NOTE Purely a rename. Loan documents and closing checklists that cite "E-Tran Terms and Conditions" should be updated to the new term.

Lender · CDC

12 Appendix 3 Definitions

NEW LOW IMPACT

SBA Loan System

SOP 50 10 8 through 9/30/2026

No definition; the SOP named E-Tran directly.

Not addressed

SOP 50 10 8.1 from 10/1/2026

"SBA Loan System: All current and future SBA designated electronic loan systems (electronic transmission). References to the 'SBA Loan System' in this SOP shall be deemed to include those systems without need for further amendment if system names change."

SOP 50 10 8.1, App. 3, p. 286

PCA NOTE PCA reads this as future proofing for a replacement of E-Tran; nothing changes in how a buyer applies today.

Lender · CDC

13 Appendix 3 Definitions

NEW LOW IMPACT

In Margin

SOP 50 10 8 through 9/30/2026

No definition, although borrowing base rules for lines of credit referred to advance limits.

Not addressed

SOP 50 10 8.1 from 10/1/2026

"In Margin: when loan availability established per loan program requirements is equal to or greater than the principal balance." Lines that are not In Margin must be paid down and no further advances made without SBA consent.

SOP 50 10 8.1, App. 3, p. 280; App. 20, ¶ B.2 and ¶ B.3, p. 398 to 416

PCA NOTE For businesses using CAPLines, EWCP or MARC revolvers after an acquisition, falling out of margin now has a defined meaning and a hard stop on advances, so buyers should size lines with headroom above the borrowing base.

Lender · Buyer

14 Appendix 3 Definitions

TIGHTENED HIGH IMPACT

Ineligible Person

SOP 50 10 8 through 9/30/2026

"Includes foreign nationals, those granted asylum, refugees, visa holders, nonimmigrant aliens under 8 U.S.C. § 1101(a)(15), those under Deferred Action for Childhood Arrivals (DACA), and undocumented aliens." Lawful Permanent Residents were eligible owners.

SOP 50 10 8, App. 3, p. 406; Sec. A, Ch. 1, ¶ F, p. 27

SOP 50 10 8.1 from 10/1/2026

An Ineligible Person "includes, but is not limited to": undocumented aliens; asylees, refugees, visa holders, nonimmigrant aliens and DACA recipients; any non U.S. Citizen or U.S. National; any individual (including U.S. Citizens) whose Principal Residence is outside the U.S.; any entity organized outside the U.S.; citizens of the People's Republic of China or Hong Kong SAR; Lawful Permanent Residents (conditional and unconditional); and anyone on the OFAC list.

SOP 50 10 8.1, App. 3, p. 280 to 281; Sec. A, Ch. 1, ¶ F, p. 29

PCA NOTE Green card holders can no longer own any part of an SBA borrower, and U.S. citizens living abroad are also excluded, so independent sponsors and search funds must confirm every direct and indirect investor's citizenship and residence before a loan number is pulled. An Ineligible Person may still give a limited or supplemental guaranty (not undocumented aliens), and can divest before the loan number issues.

Buyer · Lender · Seller · Broker Source notice: 5000-876441; 5000-876626; 5000-872050 (rescinded)

15 Appendix 3 Definitions

NEW MEDIUM IMPACT

Principal Residence

SOP 50 10 8 through 9/30/2026

No definition; old Sec. A, Ch. 1, ¶ F required owners and guarantors to have a U.S. primary residence without defining it.

SOP 50 10 8, Sec. A, Ch. 1, ¶ F, p. 27

SOP 50 10 8.1 from 10/1/2026

"Principal Residence is defined by IRS Publication 523." (The entry is headed "Principle Residence," a typo.)

SOP 50 10 8.1, App. 3, p. 284

PCA NOTE Residence now follows the IRS home sale test (where you live most of the time, tax filings, voter registration), so an owner who splits time abroad should document U.S. residence before closing.

Buyer · Lender Source notice: 5000-872050 (rescinded); 5000-876441; 5000-876626

16 Appendix 3 Definitions

CLARIFIED MEDIUM IMPACT

Key Employee (of a loan applicant/Borrower)

SOP 50 10 8 through 9/30/2026

"Any person hired by the business to manage day-to-day operations."

SOP 50 10 8, App. 3, p. 406

SOP 50 10 8.1 from 10/1/2026

"A person employed by the business who has the experience, qualifications, or required license to run the business, or who manages the business's day to day for owner(s), including making decisions about hiring and firing employees, handling payroll, and managing the business's finances."

SOP 50 10 8.1, App. 3, p. 281

PCA NOTE The broader test captures licensed operators (for example the pharmacist or the licensed contractor) even if they are not the general manager. Buyers relying on a retained manager for experience should expect that person to be treated as a Key Employee and an Associate.

Buyer · Lender

17 Appendix 3 Definitions

CLARIFIED LOW IMPACT

Loan Program Requirements

SOP 50 10 8 through 9/30/2026

Includes "E-Tran Terms and Conditions" among the requirements.

SOP 50 10 8, App. 3, p. 407

SOP 50 10 8.1 from 10/1/2026

Same definition with "the SBA Terms and Conditions" substituted.

SOP 50 10 8.1, App. 3, p. 282

PCA NOTE No substantive change.

Lender · CDC

18 Appendix 3 Definitions

LOOSENED · MEDIUM IMPACT

New Business

SOP 50 10 8 through 9/30/2026

A business operating 2 years or less, or a change of ownership with new unproven management and increased debt. An existing business that starts or acquires a business "in the same 6 digit NAICS code with identical ownership and in the same geographic area" as Co-Borrowers is an expansion, with "same geographic area" meaning close enough for similar daily control.

SOP 50 10 8, App. 3, p. 408

SOP 50 10 8.1 from 10/1/2026

Same core test, but the expansion carve out now requires only "the same 6-digit NAICS code with identical ownership, and they are Co-Borrowers"; the same geographic area requirement and its definition are deleted. The CDC 5 percent additional contribution review for changes of ownership is retained.

SOP 50 10 8.1, App. 3, p. 282

PCA NOTE Platform buyers adding a same NAICS location in another market can now avoid New Business treatment (and the higher 504 contribution) as long as ownership is identical and both entities are Co-Borrowers. Note that App. 15 separately defines a 7(a) Business Expansion using the 4 digit NAICS Industry Group.

Buyer · Lender · CDC Source notice: 5000-872764

19 Appendix 3 Definitions

NEW · HIGH IMPACT

Non-controlling Minority Equity Investments

SOP 50 10 8 through 9/30/2026

No definition. Old equity rules allowed "an equity investment not subject to an agreement to repay equity or make distributions to recover an investor's investment prior to release of the guaranty" without an ownership cap or distribution limit.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.b.iv, p. 135

SOP 50 10 8.1 from 10/1/2026

To count as eligible equity, the investment may not be subject to repayment or recovery distributions before the guaranty is released, and the investor must have "less than 20% equity in and exert no control over the operating business." The Lender must document all equity terms, including exit provisions. When used for the required injection, distributions other than for the investor's tax on business income are "prohibited until the 7(a) loan has been paid off"; additional equity beyond the injection may receive standard distributions.

SOP 50 10 8.1, App. 3, p. 283; App. 15, ¶ C.2.a (limited equity sources), p. 354

PCA NOTE This is a major constraint for independent sponsors and search fund investors: passive equity that counts toward the injection must be under 20 percent, non controlling, and locked out of non tax distributions for the life of the loan. Capital beyond the minimum injection can carry normal distribution rights, so sponsors should split the equity stack accordingly. Do not confuse this with the separate prior loss waiver term "Non-controlling Minority Equity Investor" in Sec. A, Ch. 1 (PolN 5000-879464).

Buyer · Lender · Seller Source notice: 5000-880695

20 Appendix 3 Definitions

CLARIFIED MEDIUM IMPACT

Project and Project Property

SOP 50 10 8 through 9/30/2026

Project: "The purchase or lease, and/or improvement or renovation of long-term fixed assets by a small business, with 504 financing." Project Property: assets "acquired or improved by a small business, with 504 financing."

SOP 50 10 8, App. 3, p. 409

SOP 50 10 8.1 from 10/1/2026

Project now covers "one or more long-term fixed assets" and adds: "Borrowers may finance multiple Projects simultaneously using separate 504 loans, subject to 504 Debenture limits." Project Property refers to assets acquired or improved "with a 504 transaction."

SOP 50 10 8.1, App. 3, p. 284

PCA NOTE Buyers acquiring real estate and equipment can run parallel 504 loans, and a 7(a) balance does not consume the separate 504 debenture limit, which supports roughly $10 million of combined SBA debt on larger deals.

CDC · Buyer Source notice: 5000-879058

21 Appendix 3 Definitions

MOVED MEDIUM IMPACT

Qualified Source (business valuations)

SOP 50 10 8 through 9/30/2026

Defined only in App. 3: an individual who regularly receives compensation for business valuations, holds an ASA, CBA, ABV, CVA or BCA credential, and is independent of loan production and approval. Lenders could do their own valuation when financing less real estate and equipment was $250,000 or less.

SOP 50 10 8, App. 3, p. 409 to 410; Sec. B, Ch. 1, ¶ C.3.e.v, p. 142

SOP 50 10 8.1 from 10/1/2026

The App. 3 text is unchanged and the same definition is repeated in App. 15. The valuation "must be requested by and prepared for the Lender" and the Lender "may not use a business valuation prepared for the Applicant or the seller"; the $250,000 lender valuation option no longer appears.

SOP 50 10 8.1, App. 3, p. 284 to 285; App. 15, ¶ C.1.a, p. 350 to 351

PCA NOTE Every complete change of ownership now needs an independent credentialed valuation ordered by the lender, so buyers cannot reuse a broker opinion or seller commissioned report. Budget for it early.

Lender · Buyer · Broker Source notice: 5000-880695

22 Appendix 3 Definitions

NEW HIGH IMPACT

Quality of Earnings (QoE)

SOP 50 10 8 through 9/30/2026

No definition and no QoE requirement.

Not addressed

SOP 50 10 8.1 from 10/1/2026

"A QoE analysis is an independent financial due diligence report that examines the reliability, sustainability, and accuracy of a business's historical and projected earnings," performed by "an independent qualified financial professional" for the benefit of the Lender, and "must include a Cash Proof" reconciling bank statements to the income statement and tax return for each period. App. 15 requires a QoE for Initial Acquisitions and Business Expansions with a Business Purchase Price of $3 million or more, with the Cash Proof on a trailing 12 month basis and the last two fiscal years.

SOP 50 10 8.1, App. 3, p. 285; App. 15, ¶ A.3.b and ¶ C.1.a, p. 343, 351

PCA NOTE PCA notes small wording gaps: App. 3 says "qualified" professional and an "independently" reconstructed Cash Proof, while App. 15 says "experienced" and bars reports prepared by or for the buyer or seller. Buyers should commission one lender addressed QoE that satisfies both, and expect the lender to size debt off QoE adjusted earnings.

Buyer · Lender · Seller · Broker Source notice: 5000-880695

23 Appendix 3 Definitions

NEW MEDIUM IMPACT

Sales-Based Repayment Agreement

SOP 50 10 8 through 9/30/2026

No definition; "Merchant cash advances and factoring agreements are not eligible for refinancing."

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.1.b, p. 114

SOP 50 10 8.1 from 10/1/2026

"A business funding agreement where a business receives a cash advance in exchange for a percentage of its future sales. (e.g. Point-of-Sale or Merchant Cash Advance (MCA))." Such agreements may be refinanced only if converted to a term loan, amortized at least 24 months, with no new agreements since conversion.

SOP 50 10 8.1, App. 3, p. 285; App. 14, ¶ A.3, p. 336

PCA NOTE Point of sale lending products are now caught by name, whatever the provider calls them. A target carrying an active MCA cannot have it refinanced with 7(a) proceeds, so buyers should require payoff from seller proceeds.

Buyer · Lender Source notice: 5000-880695

24 Appendix 3 Definitions

CLARIFIED · LOW IMPACT

Veteran

SOP 50 10 8 through 9/30/2026

Title 38 definition of a Veteran only.

SOP 50 10 8, App. 3, p. 412

SOP 50 10 8.1 from 10/1/2026

Adds: section 3(q) of the Small Business Act defines "owned and controlled by a veteran" as a business in which one or more veterans own at least 51 percent (or 51 percent of the stock) and control management and daily operations.

SOP 50 10 8.1, App. 3, p. 287

PCA NOTE Veteran fee relief (for example the $0 upfront fee on SBA Express) depends on 51 percent veteran ownership and control, so co investor structures need to preserve that majority.

Buyer · Lender Source notice: 5000-881797

25 Appendix 3 Definitions

UNCHANGED · MEDIUM IMPACT

7(a) Small Loans, Standard 7(a) Loans, Start-Up Business, Supplemental Guarantor, Rural Area

SOP 50 10 8 through 9/30/2026

7(a) Small Loans are $350,000 or less; Standard 7(a) Loans exceed $350,000; a Start-Up Business has operated 1 year or less; a Supplemental Guarantor is a lender required, not SBA required, guarantor; a Rural Area is a county at least 30 percent rural.

SOP 50 10 8, App. 3, p. 403, 411

SOP 50 10 8.1 from 10/1/2026

Definitions unchanged. However, App. 15 now states "The use of 7(a) Small loans is not permitted for change of ownership transactions," and Rural Area now drives FY2027 fee waivers.

SOP 50 10 8.1, App. 3, p. 277, 286 to 287; App. 15, intro, p. 342

PCA NOTE Buyers of small businesses under $350,000 must use SBA Express or Standard 7(a) rather than 7(a) Small. Rural location can eliminate the upfront guaranty fee on loans of $700,000 or less in FY2027.

Buyer · Lender Source notice: 5000-881797

26 Change of ownership definitions outside Appendix 3

NEW HIGH IMPACT

Transaction categories

SOP 50 10 8 through 9/30/2026

Changes of ownership were described by structure: "Change of Ownership Resulting in a New Owner (complete change of ownership)" (entity purchase, individual purchase, asset purchase, ESOP, cooperative), changes between existing owners, and partial changes. None were defined in App. 3.

SOP 50 10 8, Sec. B, Ch. 1, ¶ A.2.f to h, p. 118 to 119

SOP 50 10 8.1 from 10/1/2026

App. 15 defines four categories: Initial Acquisition (the default; a new majority or largest owner not previously employed by or owning the business), Business Expansion (an operating business with 2 full fiscal years under current ownership buys 100 percent of a business in the same 4 digit NAICS Industry Group), Owner Buyout (Existing and Partial), and ESOP and Cooperative. The Lender must document the category and enter it in the SBA Loan System. These terms are not added to App. 3.

SOP 50 10 8.1, App. 15, ¶ A (Types of Changes of Ownership), p. 344 to 348

PCA NOTE The category now controls equity (Initial Acquisition 10 percent minimum), QoE applicability and seller transition rules, so buyers and brokers should agree on the category before the LOI. Partial change of ownership specifics are outside this review.

Buyer · Lender · Seller · Broker Source notice: 5000-880695

27 Change of ownership definitions outside Appendix 3

TIGHTENED HIGH IMPACT

Standby debt

SOP 50 10 8 through 9/30/2026

Only debt on full standby (no principal or interest for the term of the 7(a) loan) counts as equity, using SBA Form 155 with the note attached; seller debt on full standby could be up to half of the required injection. A seller note could be refinanced after 24 months current and not on standby. Standby was never defined in App. 3.

SOP 50 10 8, Sec. B, Ch. 1, ¶ C.2.b.iii to iv, p. 133 to 135; ¶ A.1.a, p. 114

SOP 50 10 8.1 from 10/1/2026

Standby rules move to App. 15 limited equity sources: full standby debt still counts, Form 155 plus note must be in the credit file, and "The provider of standby debt may not take an equity investment in the business." Limited sources together remain capped at half of the required injection. Seller debt from a 7(a) change of ownership may be refinanced only after 36 months in place and current. Any extra funds needed when price exceeds the valuation or QoE supported value must be on full standby.

SOP 50 10 8.1, App. 15, ¶ A.3.a and ¶ C.2.a (limited equity sources), p. 348 to 349, 354

PCA NOTE A standby lender cannot also be an equity holder, and seller notes wait 36 months instead of 24 before a refinance, so sellers should price a longer wait into any standby or seller note. Valuation gaps can only be bridged with equity or full standby paper.

Buyer · Seller · Lender Source notice: 5000-880695

28 Terms that remain undefined

UNCHANGED LOW IMPACT

Working capital

SOP 50 10 8 through 9/30/2026

"Working capital" is used throughout (uses of proceeds, maturities up to 10 years, CAPLines) without an App. 3 definition.

SOP 50 10 8, App. 3, p. 403 to 412

SOP 50 10 8.1 from 10/1/2026

Still not defined in App. 3. Working capital maturity rules move to App. 17, ¶ A.1, and the Working Capital CAPLine and MARC revolver rules sit in Sec. B, Ch. 3 and 4 and App. 20.

SOP 50 10 8.1, App. 17, ¶ A.1, p. 367; Sec. B, Ch. 3 to 4, p. 135 to 155

PCA NOTE Without a definition, working capital sizing in acquisitions is left to lender credit judgment tied to the App. 15 and App. 17 rules; buyers should support it with a 12 month cash flow analysis.

Buyer · Lender

29 Appendix 10 Electronic Signatures

LOOSENED LOW IMPACT

Secondary market documents

SOP 50 10 8 through 9/30/2026

Electronic signatures accepted on secondary market documents "with the exception of the Form of Detached Assignment ... (SBA Form 1088)."

SOP 50 10 8, App. 10, ¶ B, p. 459 to 460

SOP 50 10 8.1 from 10/1/2026

"Secondary Market Sale Documents: Electronic signatures may be accepted on all documents requiring signatures."

SOP 50 10 8.1, App. 10, ¶ B, p. 327 to 328

PCA NOTE Lender operations point: SBA Form 1088 can now be signed electronically, which speeds guaranteed portion sales.

Lender

30 Appendix 12 SBA Email Addresses

CLARIFIED LOW IMPACT

Mailbox list

SOP 50 10 8 through 9/30/2026

Listed SacramentoAlienVerification@sba.gov for USCIS verification of alien status and had no franchise mailbox.

SOP 50 10 8, App. 12, p. 465

SOP 50 10 8.1 from 10/1/2026

SacramentoAlienVerification@sba.gov is removed; Franchise@sba.gov is added for Franchise Committee questions, brand eligibility, the Franchise Directory, appeals and reconsiderations. E-Tran references change to the SBA Loan System, and 7aDenials covers "denials or partial denials."

SOP 50 10 8.1, App. 12, p. 332 to 333

PCA NOTE Removing the alien status verification box follows from LPRs becoming ineligible. Franchise buyers with brand questions now have a direct SBA contact.

Lender · Buyer Source notice: 5000-876441

31 Appendix 15 internal structure note

CLARIFIED LOW IMPACT

Drafting inconsistency

SOP 50 10 8 through 9/30/2026

Not applicable.

Not addressed

SOP 50 10 8.1 from 10/1/2026

The App. 15 preamble says "Section B defines the four transaction categories ... Sections C through E set forth uses of proceeds, loan terms, and credit standards," but the appendix is actually lettered A (requirements, types, guaranties, uses of proceeds), B (loan terms), C (credit standards), D (submission). If any SOP section conflicts with App. 15, App. 15 governs the change of ownership transaction.

SOP 50 10 8.1, App. 15, intro and ¶ A to D, p. 342 to 363

PCA NOTE Cite App. 15 by the actual letters in the body, not the preamble description, and remember App. 15 overrides conflicting general rules for acquisitions.

Lender

PART TWO

Structural crosswalk

Where every rule in SOP 50 10 8 lives in SOP 50 10 8.1.

Crosswalk

SOP 50 10 8.1 consolidated the deal level rules into Appendices 14 through 20 and renumbered the 7(a) chapters around the new MARC chapter. Use this table when a paragraph citation in a lender checklist, a credit memo template or an older article no longer matches the new text.

SOP 50 10 8	SOP 50 10 8.1	Note
SOP 50 10 8, SOP Summary p. 3	SOP 50 10 8.1, SOP Summary p. 2	Version, replaced version and effective date updated (8.1 replaces 8, effective October 1, 2026). No summary of changes is included.
SOP 50 10 8, Table of Contents p. 3	SOP 50 10 8.1, Table of Contents p. 3	Expanded to list MARC chapter and Appendices 14 to 20; Appendix 9 dropped.
SOP 50 10 8, User Tips: How to Use this Document p. 7	SOP 50 10 8.1, User Tips: How to Use this Document p. 7	Unchanged except the training video link is replaced by a reference to SBA training on demand.
SOP 50 10 8, SBA 7(a) and 504 Business Loan Requirements (overview and Exceptions to Policy) p. 9	SOP 50 10 8.1, SBA 7(a) and 504 Business Loan Requirements (overview and Exceptions to Policy) p. 9	Chapter list adds Ch. 3 MARC and renumbers; closing chapter becomes Ch. 6. Exception requests must include Applicant name, loan amount and delivery method.
SOP 50 10 8, Sec. A (introduction) p. 11	SOP 50 10 8.1, Sec. A (introduction) p. 11	Unchanged.
SOP 50 10 8, Sec. A, Ch. 1 Primary Applicant Eligibility Requirements (intro) p. 13	SOP 50 10 8.1, Sec. A, Ch. 1 Primary Applicant Eligibility Requirements (intro) p. 13	Intro reworded; substance unchanged.
SOP 50 10 8, Sec. A, Ch. 1, ¶ A Operating Business p. 13	SOP 50 10 8.1, Sec. A, Ch. 1, ¶ A Operating Business p. 13	Unchanged.
SOP 50 10 8, Sec. A, Ch. 1, ¶ B Organized for Profit p. 13	SOP 50 10 8.1, Sec. A, Ch. 1, ¶ B Organized for Profit p. 13	Unchanged.
SOP 50 10 8, Sec. A, Ch. 1, ¶ C Located in the United States p. 14	SOP 50 10 8.1, Sec. A, Ch. 1, ¶ C Located in the United States p. 14	Unchanged.
SOP 50 10 8, Sec. A, Ch. 1, ¶ D Small Under SBA Size Requirements p. 14	SOP 50 10 8.1, Sec. A, Ch. 1, ¶ D Small Under SBA Size Requirements p. 14	Same location.
SOP 50 10 8, Sec. A, Ch. 1, ¶ E Types of Ineligible Businesses p. 18	SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E Types of Ineligible Businesses p. 18	Same location; now includes prior loss waiver for Non-controlling Minority Equity Investors (PoIN 5000-879464) and runs longer (to p. 28).
SOP 50 10 8, Sec. A, Ch. 1, ¶ F Businesses Owned by Non-U.S. Citizens p. 27	SOP 50 10 8.1, Sec. A, Ch. 1, ¶ F Citizenship And Residency Requirements p. 29	Retitled "Citizenship And Residency Requirements"; LPR ownership eliminated (PoIN 5000-876441, PN 5000-876626).

SOP 50 10 8	SOP 50 10 8.1	Note
SOP 50 10 8, Sec. A, Ch. 1, ¶ G Franchises p. 31	SOP 50 10 8.1, Sec. A, Ch. 1, ¶ G Franchises p. 30	Same paragraph letter.
SOP 50 10 8, Sec. A, Ch. 1, ¶ H Credit Not Available Elsewhere p. 38	SOP 50 10 8.1, Sec. A, Ch. 1, ¶ H Credit Not Available Elsewhere p. 37	Same paragraph letter.
SOP 50 10 8, Sec. A, Ch. 1, ¶ I Customer Identification Programs p. 40	SOP 50 10 8.1, Sec. A, Ch. 1, ¶ I Customer Identification Programs p. 39	Same paragraph letter.
SOP 50 10 8, Sec. A, Ch. 1, ¶ J OFAC Sanctions List p. 40	SOP 50 10 8.1, Sec. A, Ch. 1, ¶ J OFAC Sanctions List p. 39	Same paragraph letter.
SOP 50 10 8, Sec. A, Ch. 2 Special Transaction Structures, ¶ A Eligible Passive Companies p. 41	SOP 50 10 8.1, Sec. A, Ch. 2 Special Transaction Structures, ¶ A Eligible Passive Companies p. 41	Same location.
SOP 50 10 8, Sec. A, Ch. 2, ¶ B Loans to ESOPs p. 45	SOP 50 10 8.1, Sec. A, Ch. 2, ¶ B Loans to ESOPs p. 45	Same location.
SOP 50 10 8, Sec. A, Ch. 2, ¶ C Cooperatives p. 46	SOP 50 10 8.1, Sec. A, Ch. 2, ¶ C Cooperatives p. 47	Same location.
SOP 50 10 8, Sec. A, Ch. 2, ¶ D 401(k) Plans including ROBS p. 47	SOP 50 10 8.1, Sec. A, Ch. 2, ¶ D 401(k) Plans including ROBS p. 47	Same location.
SOP 50 10 8, Sec. A, Ch. 3 Uses of Proceeds, ¶ A Eligible Uses of Proceeds p. 49	SOP 50 10 8.1, Sec. A, Ch. 3 Uses of Proceeds, ¶ A Eligible Uses of Proceeds p. 51	Same location.
SOP 50 10 8, Sec. A, Ch. 3, ¶ B Restrictions on Uses of Proceeds p. 51	SOP 50 10 8.1, Sec. A, Ch. 3, ¶ B Restrictions on Uses of Proceeds p. 53	Same location.
SOP 50 10 8, Sec. A, Ch. 3, ¶ C Occupancy and Leasing Requirements p. 52	SOP 50 10 8.1, Sec. A, Ch. 3, ¶ C Occupancy and Leasing Requirements p. 54	Same location.
SOP 50 10 8, Sec. A, Ch. 4 Ethics, Fees, and Agents, ¶ A Ethical Requirements p. 57	SOP 50 10 8.1, Sec. A, Ch. 4 Ethics, Fees, and Agents, ¶ A Ethical Requirements p. 59	Same location.
SOP 50 10 8, Sec. A, Ch. 4, ¶ B Debarment, Suspension, and Exclusion (SAM.gov) p. 58	SOP 50 10 8.1, Sec. A, Ch. 4, ¶ B Debarment, Suspension, and Exclusion (SAM.gov/SAFER WEB) p. 60	Retitled "(SAM.gov/SAFER WEB)".

SOP 50 10 8	SOP 50 10 8.1	Note
SOP 50 10 8, Sec. A, Ch. 4, ¶ C 7(a) Loan Program Fees p. 59	SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C 7(a) Loan Program Fees p. 62	Same location; PN 5000-872764 fee updates integrated.
SOP 50 10 8, Sec. A, Ch. 4, ¶ D 7(a) Loan Program and Use of Agents p. 68	SOP 50 10 8.1, Sec. A, Ch. 4, ¶ D 7(a) Loan Program and Use of Agents p. 71	Same location.
SOP 50 10 8, Sec. A, Ch. 4, ¶ E 504 Loan Program Fees and Use of Agents p. 77	SOP 50 10 8.1, Sec. A, Ch. 4, ¶ E 504 Loan Program Fees and Use of Agents p. 80	Same location.
SOP 50 10 8, Sec. A, Ch. 5 Other Core Requirements, ¶ A Guaranties p. 89	SOP 50 10 8.1, Sec. A, Ch. 5 Other Core Requirements, ¶ A Guaranties p. 93	Same location.
SOP 50 10 8, Sec. A, Ch. 5, ¶ B IRS Tax Transcript/Verification of Financial Information p. 90	SOP 50 10 8.1, Sec. A, Ch. 5, ¶ B IRS Tax Transcript/Verification of Financial Information p. 94	Same location; App. 15 ¶ A.7 ties transcripts to change of ownership due diligence.
SOP 50 10 8, Sec. A, Ch. 5, ¶ C Insurance Requirements p. 93	SOP 50 10 8.1, Sec. A, Ch. 5, ¶ C Insurance Requirements p. 97	Same location.
SOP 50 10 8, Sec. A, Ch. 5, ¶ D Historic Properties p. 97	SOP 50 10 8.1, Sec. A, Ch. 5, ¶ D Historic Properties p. 101	Same location.
SOP 50 10 8, Sec. A, Ch. 5, ¶ E Environmental Policies and Procedures p. 100	SOP 50 10 8.1, Sec. A, Ch. 5, ¶ E Environmental Policies and Procedures p. 105	Same location.
SOP 50 10 8, Sec. B (introduction) p. 111	SOP 50 10 8.1, Sec. B (introduction) p. 115	Same location.
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans (chapter) p. 113	SOP 50 10 8.1, Sec. B, Ch. 1 Standard 7(a) Loans (chapter) p. 117	Chapter shrinks from 36 pages to 8; most substance moved to Apps. 14 to 20.
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ A.1 Debt Refinancing p. 113	SOP 50 10 8.1, App. 14 7(a) Debt Refinancing Requirements, ¶ A General Requirements and ¶ B.1 Standard 7(a) Loans p. 335	Ch. 1 ¶ A.1 now reads "See Appendix 14." SID refinancing may be processed under PLP authority; MCAs (Sales-Based Repayment Agreements) refinanceable after conversion and 24 months amortization.
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ A.1.a Seller note refinance (24 months) p. 114	SOP 50 10 8.1, App. 15, ¶ A.3.a Debt Refinancing (change of ownership) p. 349	Seller note refinance wait increased to 36 months.
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ A.2 Change of Ownership p. 117	SOP 50 10 8.1, App. 15 7(a) Changes of Ownership, ¶ A Change of Ownership Requirements p. 342	Ch. 1 ¶ A.2 now reads "See Appendix 15." Four categories (Initial Acquisition, Business Expansion, Owner Buyout, ESOP and Cooperative) defined at App. 15 pp. 344 to 348.

SOP 50 10 8	SOP 50 10 8.1	Note
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ A.2.j Lender loan documentation (change of ownership) p. 120	SOP 50 10 8.1, App. 15, ¶ A.10 p. 344	Adds external capital review; site visit alternatives for virtual businesses.
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ B.1 Maximum Loan Amount p. 121	SOP 50 10 8.1, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ B.1 p. 117	Stays in chapter.
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ B.2 Maximum Guaranty Amounts and Percentages p. 121	SOP 50 10 8.1, App. 16, ¶ A.1 and ¶ B.1 p. 364	Consolidated; chapter cross reference only.
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ B.3 Loan Maturities p. 122	SOP 50 10 8.1, App. 17, ¶ A and ¶ B.1 p. 367	Consolidated; change of ownership and mixed purpose maturities in App. 15 ¶ B.1 (p. 349).
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ B.4 Interest Rates p. 123	SOP 50 10 8.1, App. 18, ¶ A and ¶ B.1 p. 372	Consolidated; adds Alternative Base Rates (SOFR, 5 and 10 year Treasury) per PN 5000-875051.
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ C.1 Processing Methods p. 130	SOP 50 10 8.1, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ C.1 p. 118	Stays in chapter.
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ C.2.a Lender's Credit Analysis p. 130	SOP 50 10 8.1, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ C.2.a p. 118	Stays in chapter; change of ownership credit analysis also in App. 15 ¶ C.2.b (p. 355).
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ C.2.b Equity requirements (general, start up, sources) p. 133	SOP 50 10 8.1, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ C.2.b p. 121	Stays in chapter.
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ C.2.b.iii Changes of ownership equity p. 133	SOP 50 10 8.1, App. 15, ¶ C.2.a Equity Requirements p. 352	Category based minimum equity; limited sources (standby, seller debt, Non-controlling Minority Equity Investments) at p. 354.
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ C.3.a to d Collateral p. 135	SOP 50 10 8.1, App. 19, ¶ A.1 and ¶ B.1 p. 381	Consolidated collateral rules; change of ownership collateral in App. 15 ¶ C.3 (p. 358).
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ C.3.e.i to iii Real Estate Appraisal and fixed asset valuation p. 139	SOP 50 10 8.1, App. 19, ¶ A.1.d p. 382	Consolidated.
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ C.3.e.iv to v Change of ownership appraisal and Business Valuation Requirements p. 141	SOP 50 10 8.1, App. 15, ¶ C.1.a and App. 19, ¶ A.1.e p. 350	Valuation must be ordered by and for the Lender; QoE added for $3 million plus Initial Acquisitions and Business Expansions.

SOP 50 10 8	SOP 50 10 8.1	Note
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ D.1 Contents of Lender's Application for Guaranty p. 145	SOP 50 10 8.1, App. 20, ¶ A.1 p. 390	Consolidated; chapter says "See Appendix 20." Change of ownership contents in App. 15 ¶ D.1 (p. 362).
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ D.2 Where to Submit Applications (incl. reconsideration) p. 147	SOP 50 10 8.1, App. 20, ¶ A.2 p. 393	Consolidated.
SOP 50 10 8, Sec. B, Ch. 1 Standard 7(a) Loans, ¶ D.3 Cross reference to E-Tran Terms and Conditions chapter p. 148	SOP 50 10 8.1, App. 20, ¶ A.3 p. 393	Now points to Ch. 6.
SOP 50 10 8, Sec. B, Ch. 2 7(a) Small & SBA Express (chapter) p. 149	SOP 50 10 8.1, Sec. B, Ch. 2 7(a) Small & SBA Express (chapter) p. 125	Chapter shrinks from 40 pages to 10.
SOP 50 10 8, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ A.1 Debt Refinancing p. 149	SOP 50 10 8.1, App. 14, ¶ A and ¶ B.2 p. 339	Consolidated.
SOP 50 10 8, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ A.2 Change of Ownership p. 153	SOP 50 10 8.1, App. 15 p. 342	7(a) Small loans may no longer finance any change of ownership; SBA Express follows App. 15.
SOP 50 10 8, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ B.1 Maximum Loan Amount p. 157	SOP 50 10 8.1, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ B.1 p. 125	Stays in chapter.
SOP 50 10 8, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ B.2 Maximum Guaranty Amounts and Percentages p. 158	SOP 50 10 8.1, App. 16, ¶ B.2 p. 365	Consolidated.
SOP 50 10 8, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ B.3 Loan Maturities p. 158	SOP 50 10 8.1, App. 17, ¶ B.2 to 3; Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ B.3.a p. 367	Consolidated; new SBA Express line reissue options (Line Retention, Extended Amortization) stay in chapter at p. 126.
SOP 50 10 8, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ B.4 SBA Express Non-Financial Default Provisions p. 160	SOP 50 10 8.1, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ B.4 p. 126	Stays in chapter.
SOP 50 10 8, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ B.5 Interest Rates p. 160	SOP 50 10 8.1, App. 18, ¶ B.2 to 3 p. 378	Consolidated.
SOP 50 10 8, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ C.1 Processing Method p. 167	SOP 50 10 8.1, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ C.1 p. 127	Stays in chapter.

SOP 50 10 8	SOP 50 10 8.1	Note
SOP 50 10 8, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ C.2 Underwriting p. 168	SOP 50 10 8.1, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ C.2 p. 128	Stays; SBSS replaced by commercial credit analysis and 1.10 DSC (PN 5000-876777).
SOP 50 10 8, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ C.3 Collateral p. 174	SOP 50 10 8.1, App. 19, ¶ B.2 to 3 p. 383	Consolidated.
SOP 50 10 8, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ D.1 Contents of Lender's Application for Guaranty p. 182	SOP 50 10 8.1, App. 20, ¶ A.1 and ¶ B.1 p. 390	Consolidated.
SOP 50 10 8, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ D.2 Where to Submit and ¶ D.3 Reconsideration of Declined 7(a) Small Applications p. 187	SOP 50 10 8.1, App. 20, ¶ A.2 p. 393	Consolidated into the general reconsideration rule.
SOP 50 10 8, Sec. B, Ch. 2 7(a) Small & SBA Express, ¶ D.4 Requirements for E-Tran Terms and Conditions p. 188	SOP 50 10 8.1, App. 20, ¶ A.3; Sec. B, Ch. 6 p. 393	Cross reference only.
Not addressed (PN 5000-870260 added MARC as App. 13 to SOP 50 10 8) not in 50 10 8	SOP 50 10 8.1, Sec. B, Ch. 3 7(a) Manufacturers' Access to Revolving Credit (MARC), ¶ A to H p. 135	New chapter: eligibility, terms, credit standards, fees, SBA Loan System designation, post closing annual review, servicing. Guaranty, maturity, rate, collateral and submission in App. 16 ¶ B.3, App. 17 ¶ B.4, App. 18 ¶ B.4, App. 19 ¶ B.4, App. 20. old_page 0 means no counterpart in the base SOP.
SOP 50 10 8, Sec. B, Ch. 3 7(a) CAPLines (chapter) p. 189	SOP 50 10 8.1, Sec. B, Ch. 4 7(a) CAPLines (chapter) p. 145	Renumbered Ch. 3 to Ch. 4.
SOP 50 10 8, Sec. B, Ch. 3 7(a) CAPLines, ¶ A Eligibility and Eligible Uses (Working Capital, Contract, Seasonal, Builders) p. 189	SOP 50 10 8.1, Sec. B, Ch. 4 7(a) CAPLines, ¶ A p. 145	Same content order; refinancing under Working Capital CAPLines cross references App. 14.
SOP 50 10 8, Sec. B, Ch. 3 7(a) CAPLines, ¶ B.1 Maximum Loan Amount p. 195	SOP 50 10 8.1, Sec. B, Ch. 4 7(a) CAPLines, ¶ B.1 p. 148	Stays in chapter.
SOP 50 10 8, Sec. B, Ch. 3 7(a) CAPLines, ¶ B.2 to 4 Guaranty, Maturities, Interest Rates p. 196	SOP 50 10 8.1, App. 16 ¶ B.4; App. 17 ¶ B.5; App. 18 ¶ B.5 p. 365	Consolidated.
SOP 50 10 8, Sec. B, Ch. 3 7(a) CAPLines, ¶ C.1 to 2 Processing Methods and Underwriting p. 202	SOP 50 10 8.1, Sec. B, Ch. 4 7(a) CAPLines, ¶ C.1 to 2 p. 150	Stays in chapter.

SOP 50 10 8	SOP 50 10 8.1	Note
SOP 50 10 8, Sec. B, Ch. 3 7(a) CAPLines, ¶ C.3 Collateral p. 206	SOP 50 10 8.1, App. 19, ¶ B.5 p. 385	Consolidated.
Not addressed not in 50 10 8	SOP 50 10 8.1, Sec. B, Ch. 4 7(a) CAPLines, ¶ D Fees that the Lender may Charge the Borrower p. 155	New paragraph gathering CAPLines lender fees (annual review fee).
SOP 50 10 8, Sec. B, Ch. 3 7(a) CAPLines, ¶ D.1 to 2 Contents of Application and Where to Submit p. 211	SOP 50 10 8.1, Sec. B, Ch. 4 7(a) CAPLines, ¶ E; App. 20, ¶ A p. 155	Chapter says "See Appendix 20."
SOP 50 10 8, Sec. B, Ch. 3 7(a) CAPLines, ¶ D.3 CAPLines-Specific Loan Closing and Disbursement Requirements p. 216	SOP 50 10 8.1, App. 20, ¶ B.2 p. 393	Moved into the submission appendix, including the Working Capital CAPLine BBC formula (p. 397 to 398).
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance (chapter) p. 227	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance (chapter) p. 156	Renumbered Ch. 4 to Ch. 5.
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ A.1 to 2 Export Express eligibility, uses, restrictions p. 229	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance, ¶ A.1 to 2 p. 157	Refinancing and change of ownership cross reference App. 14 and App. 15.
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ A.3 Export Express Loan Terms and Conditions p. 234	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance, ¶ A.3; App. 16 ¶ B.5; App. 17 ¶ B.6; App. 18 ¶ B.6 p. 159	Guaranty, maturity and rate consolidated.
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ A.4 Export Express Credit Standards p. 244	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance, ¶ A.4; App. 19 ¶ B.6 p. 160	Collateral consolidated.
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ A.5 Export Express Submission p. 252	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance, ¶ A.5; App. 20 p. 163	Consolidated.
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ B.1 EWCP eligibility p. 255	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance, ¶ B.1 p. 164	Same.
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ B.2 Eligible Uses of Proceeds for EWCP p. 255	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance, ¶ B.3 p. 164	Swapped order with Ineligible NAICS Codes.
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ B.3 Ineligible NAICS Codes p. 258	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance, ¶ B.2 p. 164	Swapped order.

SOP 50 10 8	SOP 50 10 8.1	Note
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ B.4 Loan Terms and Conditions for EWCP p. 258	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance, ¶ B.4; App. 16 ¶ B.6; App. 17 ¶ B.7; App. 18 ¶ B.7 p. 165	Guaranty, maturity and rate consolidated.
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ B.5 Credit Standards for EWCP p. 263	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance, ¶ B.5; App. 19 ¶ B.7 p. 167	Collateral consolidated.
Not addressed not in 50 10 8	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance, ¶ B.6 Fees that the Lender May Charge the Borrower p. 172	New paragraph.
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ B.6 Submission of Application for EWCP p. 267	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance, ¶ B.7; App. 20 ¶ B.3 p. 172	Consolidated.
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ B.7 EWCP-Specific Post-Approval/Pre-Disbursement Requests for Changes p. 272	SOP 50 10 8.1, App. 20, ¶ B.3.a p. 407	Moved to submission appendix.
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ B.8 EWCP-Specific Loan Closing and Disbursement Requirements p. 272	SOP 50 10 8.1, App. 20, ¶ B.3.b p. 407	Moved to submission appendix.
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ C.1 to 2 International Trade eligibility and uses p. 279	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance, ¶ C.1 to 2 p. 173	Same; eligibility updated by PolN 5000-877629.
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ C.3 Loan Terms for International Trade p. 286	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance, ¶ C.3; App. 16 ¶ B.6; App. 17 ¶ B.8; App. 18 ¶ B.8 p. 176	Consolidated.
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ C.4 Credit Standards for International Trade p. 294	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance, ¶ C.4; App. 19 ¶ B.8 p. 176	Collateral consolidated.
SOP 50 10 8, Sec. B, Ch. 4 7(a) Export Trade Finance, ¶ C.5 Submission for International Trade p. 306	SOP 50 10 8.1, Sec. B, Ch. 5 7(a) Export Trade Finance, ¶ C.5; App. 20 ¶ B.4 p. 181	Consolidated.
SOP 50 10 8, Sec. B, Ch. 5 E-Tran Terms and Conditions through Disbursement for all 7(a) Loans, ¶ A E-Tran Terms and Conditions p. 311	SOP 50 10 8.1, Sec. B, Ch. 6 SBA Terms and Conditions through Disbursement for all 7(a) Loans, ¶ A SBA Terms and Conditions p. 182	Renumbered Ch. 5 to Ch. 6; E-Tran renamed SBA Loan System.

SOP 50 10 8	SOP 50 10 8.1	Note
SOP 50 10 8, Sec. B, Ch. 5 E-Tran Terms and Conditions through Disbursement for all 7(a) Loans, ¶ B Post-Approval Modifications p. 314	SOP 50 10 8.1, Sec. B, Ch. 6 SBA Terms and Conditions through Disbursement for all 7(a) Loans, ¶ B p. 185	Old ¶ B.1 matrix reference merged into ¶ B.1.
SOP 50 10 8, Sec. B, Ch. 5 E-Tran Terms and Conditions through Disbursement for all 7(a) Loans, ¶ C Transfer of Guaranty Between Participating Lenders p. 315	SOP 50 10 8.1, Sec. B, Ch. 6 SBA Terms and Conditions through Disbursement for all 7(a) Loans, ¶ C p. 187	Same.
SOP 50 10 8, Sec. B, Ch. 5 E-Tran Terms and Conditions through Disbursement for all 7(a) Loans, ¶ D Loan Closing and Disbursement p. 316	SOP 50 10 8.1, Sec. B, Ch. 6 SBA Terms and Conditions through Disbursement for all 7(a) Loans, ¶ D p. 187	Same numbering (1 Disbursement Period to 11).
SOP 50 10 8, Sec. C 504 Loan Program Specific Requirements p. 327	SOP 50 10 8.1, Sec. C 504 Loan Program Specific Requirements p. 197	Same structure; page shift only.
SOP 50 10 8, Sec. C, Ch. 1, ¶ A Primary Program Eligibility Factors p. 329	SOP 50 10 8.1, Sec. C, Ch. 1, ¶ A Primary Program Eligibility Factors p. 199	Same location.
SOP 50 10 8, Sec. C, Ch. 1, ¶ B Third Party Lender Participation p. 331	SOP 50 10 8.1, Sec. C, Ch. 1, ¶ B Third Party Lender Participation p. 201	Same location.
SOP 50 10 8, Sec. C, Ch. 1, ¶ C Eligible Uses of Proceeds p. 336	SOP 50 10 8.1, Sec. C, Ch. 1, ¶ C Eligible Uses of Proceeds p. 206	Same location.
SOP 50 10 8, Sec. C, Ch. 1, ¶ D 504 Loan and Debenture Terms and Conditions p. 351	SOP 50 10 8.1, Sec. C, Ch. 1, ¶ D 504 Loan and Debenture Terms and Conditions p. 221	Same location; debenture limits coordinated with 7(a) per PoIN 5000-879058.
SOP 50 10 8, Sec. C, Ch. 1, ¶ E Credit Standards p. 352	SOP 50 10 8.1, Sec. C, Ch. 1, ¶ E Credit Standards p. 223	Same location.
SOP 50 10 8, Sec. C, Ch. 1, ¶ F Submission of Loan Application p. 365	SOP 50 10 8.1, Sec. C, Ch. 1, ¶ F Submission of Loan Application p. 237	Same location.
SOP 50 10 8, Sec. C, Ch. 2, ¶ A SBA E-Tran Terms and Conditions p. 371	SOP 50 10 8.1, Sec. C, Ch. 2, ¶ A SBA Terms and Conditions p. 245	Retitled from E-Tran to SBA Terms and Conditions.
SOP 50 10 8, Sec. C, Ch. 2, ¶ B Modifying the SBA E-Tran Terms and Conditions p. 374	SOP 50 10 8.1, Sec. C, Ch. 2, ¶ B Modifying the SBA Terms and Conditions p. 248	Retitled from E-Tran to SBA Terms and Conditions.

SOP 50 10 8	SOP 50 10 8.1	Note
SOP 50 10 8, Sec. C, Ch. 2, ¶ C Closing, Disbursement, and Post-Closing p. 375	SOP 50 10 8.1, Sec. C, Ch. 2, ¶ C Closing, Disbursement, and Post-Closing p. 250	Same location.
SOP 50 10 8, Sec. C, Ch. 3 Debenture Pricing and Funding, ¶ A to F p. 389	SOP 50 10 8.1, Sec. C, Ch. 3 Debenture Pricing and Funding, ¶ A to F p. 263	Same location.
SOP 50 10 8, App. 1 Forms and Related SOPs p. 395	SOP 50 10 8.1, App. 1 Forms and Related SOPs p. 269	No text changes.
SOP 50 10 8, App. 2 Acronyms p. 397	SOP 50 10 8.1, App. 2 Acronyms p. 271	E-Tran and SBSS deleted; QoE added.
SOP 50 10 8, App. 3 Definitions p. 403	SOP 50 10 8.1, App. 3 Definitions p. 277	Adds Business Purchase Price, In Margin, Non-controlling Minority Equity Investments, Principal Residence, Quality of Earnings, Sales-Based Repayment Agreement, SBA Loan System, SBA Terms and Conditions; deletes E-Tran Terms and Conditions; rewrites Ineligible Person, Key Employee, New Business, Project, Veteran.
SOP 50 10 8, App. 4 Definitions, Environmental p. 413	SOP 50 10 8.1, App. 4 Definitions, Environmental p. 288	Formatting only.
SOP 50 10 8, App. 5 Reliance Letter p. 419	SOP 50 10 8.1, App. 5 Reliance Letter p. 295	No text changes.
SOP 50 10 8, App. 6 NAICS Codes of Environmentally Sensitive Industries p. 423	SOP 50 10 8.1, App. 6 NAICS Codes of Environmentally Sensitive Industries p. 299	No text changes.
SOP 50 10 8, App. 7 Requirements Pertaining to Gas Station Loans p. 427	SOP 50 10 8.1, App. 7 Requirements Pertaining to Gas Station Loans p. 303	E-Tran renamed SBA Loan System.
SOP 50 10 8, App. 8 SBA Environmental Indemnification Agreement p. 429	SOP 50 10 8.1, App. 8 SBA Environmental Indemnification Agreement p. 305	Same.
SOP 50 10 8, App. 9 Sample Borrowing Base Certificate and Report to Lender p. 451	Deleted (no counterpart; BBC formula in SOP 50 10 8.1, App. 20, ¶ B.2.d) p. 397	Appendix removed; numbering gap left at 9.
SOP 50 10 8, App. 10 Electronic Signatures p. 459	SOP 50 10 8.1, App. 10 Electronic Signatures p. 327	SBA Form 1088 exception removed; electronic signatures accepted on all secondary market documents.

SOP 50 10 8	SOP 50 10 8.1	Note
SOP 50 10 8, App. 11 Record Retention Requirements p. 463	SOP 50 10 8.1, App. 11 Record Retention Requirements p. 331	No text changes.
SOP 50 10 8, App. 12 SBA Email Addresses p. 465	SOP 50 10 8.1, App. 12 SBA Email Addresses p. 332	Franchise@sba.gov added; SacramentoAlienVerification@sba.gov removed; E-Tran references renamed.
Not addressed (no App. 13 in SOP 50 10 8; PN 5000-870260 used App. 13 for MARC) not in 50 10 8	No App. 13 in SOP 50 10 8.1, ; MARC is Sec. B, Ch. 3 p. 135	Numbering gap at 13.
Not addressed (new appendix) not in 50 10 8	SOP 50 10 8.1, App. 14 7(a) Debt Refinancing Requirements (¶ A General; ¶ B Program-Specific) p. 335	New consolidated appendix; sources: old Sec. B Ch. 1 ¶ A.1, Ch. 2 ¶ A.1, CAPLines, Export Express, EWCP and IT refinancing text.
Not addressed (new appendix) not in 50 10 8	SOP 50 10 8.1, App. 15 7(a) Changes of Ownership (¶ A Requirements and Types; ¶ B Loan Terms; ¶ C Credit Standards; ¶ D Submission) p. 342	New consolidated appendix; sources: old Sec. B Ch. 1 ¶ A.2, ¶ C.2.b.iii, ¶ C.3.e.iv to v, Ch. 2 ¶ A.2. Preamble describes Sections B to E but body is lettered A to D. Governs over conflicting SOP text.
Not addressed (new appendix) not in 50 10 8	SOP 50 10 8.1, App. 16 7(a) Maximum Guaranty Amounts and Percentages p. 364	New consolidated appendix; sources: old Sec. B Ch. 1 to 4 guaranty paragraphs.
Not addressed (new appendix) not in 50 10 8	SOP 50 10 8.1, App. 17 7(a) Loan Maturity Requirements p. 367	New consolidated appendix; sources: old Sec. B Ch. 1 to 4 maturity paragraphs.
Not addressed (new appendix) not in 50 10 8	SOP 50 10 8.1, App. 18 7(a) Interest Rate Requirements p. 372	New consolidated appendix; sources: old Sec. B Ch. 1 ¶ B.4 and program rate paragraphs; adds Alternative Base Rates (PN 5000-875051).
Not addressed (new appendix) not in 50 10 8	SOP 50 10 8.1, App. 19 7(a) Collateral Requirements p. 381	New consolidated appendix; sources: old Sec. B Ch. 1 ¶ C.3, Ch. 2 ¶ C.3, CAPLines ¶ C.3, Export collateral paragraphs.
Not addressed (new appendix) not in 50 10 8	SOP 50 10 8.1, App. 20 Submission of Application for Guaranty p. 390	New consolidated appendix; sources: old Sec. B Ch. 1 ¶ D, Ch. 2 ¶ D, CAPLines ¶ D, EWCP ¶ B.6 to 8, IT ¶ C.5.

PART THREE

The notice log

Every SBA notice issued between June 1, 2025 and October 1, 2026 that touches 7(a) or 504 lending.

Notice log

SOP 50 10 8.1 did not appear from nowhere. SBA spent sixteen months changing the rules by notice, and Information Notice 5000-880695 states which of those notices the new SOP absorbs: Policy Notices 5000-876441, 5000-877629, 5000-879058 and 5000-879464, and Procedural Notices 5000-872764, 5000-870260, 5000-876777, 5000-875051 and 5000-876626. Notices not on that list, including the date of birth requirement and the Working Capital Pilot guide, continue to stand on their own.

5000-868665 INFORMATION NOTICE Issued 2025-05-30 (posted) · Effective 2025-05-29 (SOP effective 2025-06-01)

Issuance of SOP 50 10 8 with Technical Updates

Baseline notice (just before the window). Issues SOP 50 10 8 with technical updates, effective for applications receiving an SBA loan number on/after June 1, 2025, replacing the April 22, 2025 version; SOP 50 10 7.1 applies through May 31, 2025. Technical changes include requiring applicant and entity owners to be organized in the U.S. and owners/guarantors to have a U.S. primary residence.

Touches: Whole SOP 50 10 8 (baseline) · In SOP 50 10 8.1: Replaced by SOP 50 10 8.1 for loan numbers issued on/after 2026-10-01 (per IN 5000-880695)

5000-869173 INFORMATION NOTICE Issued 2025-06-11 (posted) · Effective 2025-06-02

FY 2025 Updated Fee Schedule for SBA Oversight of 7(a) Lenders

OCRM updates FY2025 7(a) lender oversight fees (monitoring/L/LMS, desktop, targeted, limited/full scope, delegated authority reviews) under 13 CFR 120.1070. Fees are assessed per $1 million of 7(a) guaranteed dollars outstanding, with an added fee for delegated-authority lenders.

Touches: Lender oversight (SOP 50 53 / 50 56; SOP 50 10 references) · In SOP 50 10 8.1: N/A - oversight fee notice, superseded by FY2026 schedule (IN 5000-878182)

5000-868123 INFORMATION NOTICE Issued 2025-07-10 (posted) · Effective 2025-06-13

SBA Form 413 Personal Financial Statement Issued

Announces revised SBA Form 413 (7a/504/SBG/Disaster/WOSB/8a). Form 413 information must now be current within 120 days of submission for 7(a) and 504; lender-equivalent PFS formats remain acceptable if they collect the same data. Prior (May 2024) version may be used for in-process applications; only the renewed version accepted 60 days after the notice.

Touches: Forms / Section A Ch. 5 application documentation (personal financial statements) · In SOP 50 10 8.1: Not listed in IN 5000-880695; form requirement carried forward (form-level, not SOP text)

5000-869194 INFORMATION NOTICE Issued 2025-06-25 (posted) · Effective 2025-06-18

SBA Form 1253 - CDC Annual Report Guide and SBA Form 1253A Job Opportunity Analysis Template

Renews and redesigns the CDC Annual Report Guide (Form 1253) and Form 1253A (renamed Job Opportunity Analysis Report). CDCs with fiscal year-ends on/after publication must use the new form; reports due within 180 days of FYE via CDC Online (Corporate Governance Repository) or email to OCRM.

Touches: 504 / CDC corporate governance & reporting (13 CFR 120.826, 120.830; SOP 50 10 Section C) · In SOP 50 10 8.1: Not listed in IN 5000-880695 (form-level)

5000-869911 INFORMATION NOTICE Issued 2025-06-27 · Effective 2025-06-27

4th Quarter (FY2025) Optional Peg Rate, Direct Interest Rate and Maximum Interest Rate of a Third Party Lender Loan for a 504 Project

Sets the SBA Optional Peg Rate at 4.63% for July-September 2025 and the 7(a) direct loan rate at 5.75%. Maximum rate on 504 Third Party Lender loans remains Prime + 6% (or state law cap).

Touches: Interest rates (Section B Ch.1 interest rates; 504 TPL loans) · In SOP 50 10 8.1: N/A - quarterly rate notice

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5000-871532 INFORMATION NOTICE

Issued 2025-08-28 · Effective 2025-08-28 (fees apply to loans approved 2025-10-01 to 2026-09-30)

504 Fees for Fiscal Year 2026

FY2026 504 fees: upfront guaranty fee and annual service fee waived for 504 loans to manufacturers (NAICS 31-33), including debt refinance with/without expansion. Other 504 loans: 0.50% upfront and 0.209% annual service fee; 504 Debt Refinance without Expansion (non-manufacturers): 0.2115% annual.

Touches: Fees (Section C 504 fees) · In SOP 50 10 8.1: Superseded for FY2027 by IN 5000-881796

5000-872051 INFORMATION NOTICE

Issued 2025-08-28 · Effective 2025-08-28 (fees apply to loans approved 2025-10-01 to 2026-09-30)

7(a) Fees Effective October 1, 2025 for Fiscal Year 2026 and 90-Day Rule Clarification

FY2026 7(a) fees: lender annual service fee 0.55% (incl. WCP); upfront fee 0% for manufacturers (NAICS 31-33) on loans of $950,000 or less (not MARC); otherwise 2% (<= $150k, lender keeps up to 25%), 3% ($150,001-$700k), 3.5%/3.75% above $700k; 0.25% for maturities <= 12 months; $0 for SBA Express to veterans; EWCP/WCP maturity-based fees. Clarifies the 90-day combination rule, excluding WCP/EWCP from combination for upfront fee calculation.

Touches: Fees (Section A Ch. 4 Para. C) · In SOP 50 10 8.1: Superseded for FY2027 by IN 5000-881797; 90-day rule text incorporated via PN 5000-872764 and SOP 50 10 8.1

5000-870260 PROCEDURAL NOTICE Issued 2025-09-04 · Effective 2025-09-04 (loans available 2025-10-01)

7(a) Manufacturers' Access to Revolving Credit (MARC loans)

Creates the MARC delivery method for manufacturers (NAICS 31-33) as new SOP 50 10 8 Appendix 13: up to $5 million, 85%/75% guaranty, term (10 yrs) or revolving (up to 10 yrs revolving + 10 yrs term), DSCR >= 1:1 (projections must break even within 2 yrs), lien on all business assets, mandatory annual review with term-out if unsatisfactory. Lender may charge up to 50 bps annual fee on the maximum loan amount or an extraordinary servicing fee up to 2% if treated as asset-based (not both). PLP lenders must process MARC loans under PLP authority.

Touches: Section B Ch. 2/3 delivery methods; new Appendix 13 (MARC) · In SOP 50 10 8.1: Yes - listed as integrated into SOP 50 10 8.1 (IN 5000-880695)

5000-869666 INFORMATION NOTICE Issued 2025-09-30 (posted) · Effective 2025-09-05/08

504 Debenture Funding Schedule for Calendar Year 2026

Publishes CY2026 504 debenture district cut-off, CSA cut-off, pricing and funding dates; 20- and 25-year debentures sold monthly, 10-year in asterisked months. CSA cut-off about 14 days before pricing.

Touches: 504 debenture sales/closing (Section C) · In SOP 50 10 8.1: N/A - operational schedule

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5000-869245 PROCEDURAL NOTICE Issued 2025-09-17 (posted) · Effective 2025-09-15

Revisions to SOP 50 56 related to Environmental Reviews and Permanent ALP Express Authority

Amends SOP 50 56 (lender oversight) to incorporate PN 5000-866498's environmental policy and require 7(a) lenders and CDCs to provide environmental clearance/approval documentation to SBA on request; loan files must be under the lender's/CDC's direct control, not an agent or LSP. Incorporates ALP Express (made permanent by 89 FR 102687, Dec. 18, 2024) governance and renewal requirements into SOP 50 56.

Touches: Lender oversight (SOP 50 56); environmental (SOP 50 10 Section A Ch. 5); ALP Express (504) · In SOP 50 10 8.1: N/A - amends SOP 50 56, not 50 10

5000-872865 INFORMATION NOTICE Issued 2025-09-22 · Effective 2025-09-22

1st Quarter (FY2026) Optional Peg Rate, Direct Interest Rate and Maximum Interest Rate of a Third Party Lender Loan for a 504 Project

Sets the Optional Peg Rate at 4.75% for October-December 2025; 7(a) direct loan rate 5.75%. 504 TPL maximum rate stays Prime + 6%.

Touches: Interest rates · In SOP 50 10 8.1: N/A

5000-872353 INFORMATION NOTICE

Issued 2025-09-26 / reposted 2025-11-13 · Effective 2025-09-25 (SOP 50 57 4 effective 2025-11-01)

Issuance of SOP 50 57 4, 7(a) Loan Servicing and Liquidation

Issues SOP 50 57 4, effective November 1, 2025 for all 7(a) servicing/liquidation actions (SOP 50 57 3.1 through Oct. 31, 2025). Changes include updated definitions, a personal property liquidation threshold raised from $5,000 to $10,000, closure of the Little Rock CLSC (servicing now Fresno CLSC or Herndon NGPC), PPP records retention, annual service fee payment clarifications, the new 'SBA Uncollectible' status, and a requirement that new obligors meet current SOP 50 10 citizenship rules.

Touches: 7(a) servicing & liquidation (SOP 50 57); overlaps SOP 50 10 citizenship · In SOP 50 10 8.1: N/A - separate SOP

5000-872764 PROCEDURAL NOTICE Issued 2025-09-30 (NAGGL); page updated 2025-11-20 · Effective 2025-09-30

Revisions to SOP 50 10 8 - 504 and 7(a) Loan Program Updates

Omnibus SOP 50 10 8 amendment based on lender/CDC feedback. 7(a)/504: New Business definition drops the 'same geographic area' criterion; same 6-digit NAICS plus identical ownership as co-borrowers is treated as an expansion. 7(a): WCP/EWCP excluded from combined 90-day upfront fee calculation, collateral/lien recordation updates, ESOP business valuation requirements, Appendix 13 (MARC) edits. 504: CDC franchise requirements, contingency fund, do-it-yourself construction, appraisals for non-arm's-length/change-of-ownership deals, CDC disbursement-period authority, PCLP extension limits, and adjusting 504 debt refinance balances.

Touches: Appendix 3 definitions; Section A Ch.4 fees; Section B Ch.1 collateral/ESOP; Appendix 13; Section C (504) · In SOP 50 10 8.1: Yes - listed as integrated into SOP 50 10 8.1 (IN 5000-880695)

5000-874719 INFORMATION NOTICE Issued 2025-12-19 (posted) · Effective 2025-12-18 (rate period from 2026-01-01)

2nd Quarter (FY2026) Optional Peg Rate, Direct Interest Rate and Maximum Interest Rate of a Third Party Lender Loan for a 504 Project

Sets the Optional Peg Rate at 4.50% for January-March 2026; 7(a) direct loan rate 5.50%. 504 TPL maximum rate stays Prime + 6%.

Touches: Interest rates · In SOP 50 10 8.1: N/A

5000-872050 PROCEDURAL NOTICE

Issued 2025-12 (PDF dated Dec. 2025; page updated 2026-01-16) · Effective 2025-12-19 (for applications approved on/after 2026-01-01)

Update to SOP 50 10 8 - Citizenship and Residency Requirements

Rewrote SOP 50 10 8 Section A Ch.1 Para. F as 'Citizenship and Residency Requirements': 100% of direct/indirect owners had to be U.S. citizens, U.S. nationals or LPRs with a U.S. principal residence, with a narrow exception allowing up to 5% ownership by foreign nationals, non-resident citizens/LPRs, or conditional LPRs. Redefined 'Ineligible Person' (incl. PRC/Hong Kong residents/citizens, OFAC-listed persons, foreign-organized entities) and added 'Principal Residence' (IRS Pub. 523). Rescinded by Policy Notice 5000-876441 effective March 1, 2026.

Touches: Section A Ch.1 Para. F (citizenship); Appendix 3 definitions · In SOP 50 10 8.1: Rescinded (by PolN 5000-876441); 8.1 reflects the later 100% U.S. citizen/national rule

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5000-875701 PROCEDURAL NOTICE Issued 2026-01-16 · Effective 2026-03-01 (sba.gov page lists 2026-01-16)

Sunset of SBSS Score for 7(a) Small Loans

Announces SBA will stop using the FICO SBSS score on March 1, 2026; 7(a) Small applications will no longer be scored or screened by SBSS. Rewrites 7(a) Small underwriting (Section B Ch.2 Para. C.2.a) to require the lender's generally accepted commercial credit analysis, allowing regulator-permitted business scoring models that do not rely solely on consumer scores; SBLCs may keep credit scoring subject to annual SBA review. SBA Express is unaffected. SOP text was replaced by PN 5000-876777.

Touches: Section B Ch.2 Para. C.2.a (7(a) Small underwriting) · In SOP 50 10 8.1: Replaced by PN 5000-876777, which is integrated into 8.1

5000-873246 INFORMATION NOTICE Issued 2026-01-27 (posted) · Effective 2026-01-26

Update to the 7(a) Working Capital Pilot Program Guide

Issues an updated WCP Program Guide that replaces the original. It extends WCP support to financial letters of credit (e.g., manufacturer warranty bonds), lets lenders charge the 2% extraordinary servicing fee when monitoring is outsourced to a third party regardless of their non-SBA practice, and lets renewals count like new originations toward PLP-WCP delegated status.

Touches: WCP pilot (Section B Ch.2/Ch.3 working capital; program guide) · In SOP 50 10 8.1: Likely incorporated (secondary sources say 8.1 folds in WCP; not in IN 5000-880695's list) - unverified

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5000-876441 POLICY NOTICE Issued 2026-02-02 · Effective 2026-03-01

Update to SOP 50 10 8 - Citizenship and Residency Requirements and Recission of Procedural Notice 5000-872050

Policy notice (signed by the Administrator) requiring, effective March 1, 2026, that 100% of direct and indirect owners of 7(a)/504 applicants be U.S. citizens or U.S. nationals with a U.S. principal residence. It rescinds PN 5000-872050 and its 5% foreign-ownership exception, and makes LPRs ineligible to own any interest in an Applicant/Borrower, OC or EPC.

Touches: Section A Ch.1 Para. F (citizenship/ownership eligibility) · In SOP 50 10 8.1: Yes - listed as integrated into SOP 50 10 8.1 (IN 5000-880695)

5000-875051 PROCEDURAL NOTICE Issued 2026-02-06 · Effective 2026-03-01

7(a) Alternative Base Rate Options

Under 13 CFR 120.214(c) (also published at 91 FR 5805, Feb. 10, 2026), permanently allows three alternative base rates for variable-rate 7(a) loans: SOFR, the 5-year Treasury and the 10-year Treasury, alongside Prime and the SBA Optional Peg Rate. Amends Section B Ch.1 Para. B.4.a.v and supersedes the WCP guide's SOFR + 300 bps convention.

Touches: Section B Ch.1 Para. B.4 (interest rates) · In SOP 50 10 8.1: Yes - listed as integrated into SOP 50 10 8.1 (IN 5000-880695); 8.1 also allows secondary-market sale of alternative-base-rate loans (NAGGL)

5000-876626 PROCEDURAL NOTICE Issued 2026-02-11 · Effective 2026-03-01

Revised Applicant Ownership, Citizenship, and Residency Requirements for 7(a) and 504 Loans (Update to SOP 50 10 8)

Puts PolN 5000-876441 into SOP 50 10 8 Section A Ch.1 Para. F: applicants' owners and SBA-required guarantors must be 100% U.S. citizens or nationals with a U.S. principal residence, and entity owners must be U.S.-organized. Lenders certify in E-Tran that no owner or guarantor is an 'Ineligible Person'. Applies to delegated loans numbered on/after March 1, 2026 and non-delegated applications reaching R1 status on/after March 1, 2026. Applications with LPR ownership that reached R1 by 11:59 PM ET Feb. 28, 2026 are grandfathered.

Touches: Section A Ch.1 Para. F; Appendix 3; E-Tran certifications · In SOP 50 10 8.1: Yes - listed as integrated into SOP 50 10 8.1 (IN 5000-880695)

5000-876777 PROCEDURAL NOTICE Issued 2026-02-20 · Effective 2026-03-01

Sunset of SBSS Score for 7(a) Small Loans - Supplemental Guidance

Replaces PN 5000-875701's SOP text. 7(a) Small underwriting now requires prudent commercial credit analysis of credit history and repayment ability, and the credit memo must state why credit is not available elsewhere. It requires DSCR >= 1.10:1 (historical or projected; projections required for complete changes of ownership) and two months of commercial bank statements, with exceptions for start-ups and COO deals with no other debt. Loans failing DSCR must go through Standard 7(a) or SBA Express. A 7(a) Small loan increased above $350,000 becomes Standard 7(a).

Touches: Section B Ch.2 Para. C.2.a (7(a) Small underwriting; credit elsewhere) · In SOP 50 10 8.1: Yes - listed as integrated into SOP 50 10 8.1 (IN 5000-880695)

5000-877472 PROCEDURAL NOTICE Issued 2026-03-18 · Effective 2026-03-18

Extension of Owner Date of Birth Requirement in E-Tran

Extends PN 5000-866498 (eff. March 27, 2025; expired March 1, 2026): 7(a) lenders and CDCs must collect and enter the date of birth of every applicant owner entered into E-Tran until the 7(a)/504 application forms are updated.

Touches: E-Tran data entry / application forms (Section A Ch.5) · In SOP 50 10 8.1: Not listed in IN 5000-880695; standalone notice runs to 4/1/2027 - unknown whether 8.1 text absorbs it

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5000-877653 INFORMATION NOTICE Issued 2026-03-26 (posted) · Effective 2026-03-25

3rd Quarter (FY2026) Optional Peg Rate, Direct Interest Rate and Maximum Interest Rate of a Third Party Lender Loan for a 504 Project

Sets the Optional Peg Rate at 4.50% for April-June 2026; 7(a) direct loan rate 5.63%. 504 TPL maximum rate stays Prime + 6%.

Touches: Interest rates · In SOP 50 10 8.1: N/A

5000-877673 INFORMATION NOTICE Issued 2026-03-31 · Effective 2026-03-01

Guidance for Frequently Asked Questions Related to Recent SBA Procedural Notices

FAQs on PN 5000-876626 (citizenship) and PN 5000-876777 (SBSS sunset). An Ineligible Person (including an LPR) may be a supplemental or limited guarantor unless unlawfully present, with E-Tran coding instructions. An Ineligible Person may fully divest before the loan number issues; the six-month lookback still applies otherwise. Naturalized dual citizens are eligible subject to documentation. Also covers the effect on existing loans and 7(a) Small underwriting questions.

Touches: Section A Ch.1 Para. F; Section B Ch.2 7(a) Small · In SOP 50 10 8.1: Underlying notices integrated into 8.1; FAQ status under 8.1 unknown

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5000-877629 POLICY NOTICE Issued 2026-04-02 · Effective 2026-05-01

7(a) International Trade Loan Program Updates

Under 15 U.S.C. 636(a)(16)(D), SBA determines that manufacturers (NAICS 31-33) and listed food-supply-chain industries are adversely affected by import competition. That makes them eligible for the International Trade Loan (90% guaranty) without an individual export or import-injury showing. Revises SOP 50 10 8 Section B Ch.4 Para. C.1 (ITL eligibility).

Touches: Section B Ch.4 (International Trade / ITL) · In SOP 50 10 8.1: Yes - listed as integrated into SOP 50 10 8.1 (IN 5000-880695); later revised by PolN 5000-881477

5000-878182 INFORMATION NOTICE Issued 2026-04-27 (posted) · Effective 2026-04-14

FY 2026 Updated Fee Schedule for SBA Oversight of 7(a) Lenders

OCRM sets FY2026 7(a) lender oversight fees: $128.19 per $1 million of 7(a) guaranteed dollars outstanding for monitoring and other oversight, plus about $16.45 per $1 million for delegated-authority lenders ($144.64 combined), along with review-specific fees.

Touches: Lender oversight (13 CFR 120.1070; SOP 50 53 / 50 56) · In SOP 50 10 8.1: N/A

5000-879058 POLICY NOTICE Issued 2026-05-18 · Effective 2026-07-04

Coordination of 7(a) and 504 for Maximum Loan Limits

Clarifies that a borrower's outstanding 7(a) balance (up to the $5M gross / $3.75M guaranteed limit) does not reduce the separate statutory 504 debenture limit ($5M; $5.5M for manufacturers/energy). A lender may approve a 7(a) loan first and a CDC then approve a 504 loan (e.g., 7(a) for working capital and equipment, 504 for real estate), described in the market as up to about $10M combined. A 504 project may also include multiple eligible assets financed at once. Revises Section C Ch.1 Para. D.

Touches: Section C Ch.1 Para. D (504 debenture limits); Section A maximum loan amounts · In SOP 50 10 8.1: Yes - listed as integrated into SOP 50 10 8.1 (IN 5000-880695)

5000-879464 POLICY NOTICE Issued 2026-05-28 · Effective 2026-06-01

Prior Loss Rule: Non-Controlling Ownership Update

Uses SBA's waiver authority under 13 CFR 120.110(q) to allow case-by-case relief from the prior-loss ineligibility rule. The relief is for applicants whose owner held under 20% of a business that caused a loss on a 7(a)/504 loan, was not a guarantor or co-borrower on it, and had no control over it (a 'Non-controlling Minority Equity Investor'). SBA reviews these through its Fraud Risk Framework, considering the number and timing of defaults and the size of the investment. The waiver does not apply to non-SBA federal losses or PPP/COVID EIDL losses, and delinquent federal debt remains disqualifying.

Touches: Section A Ch.1 eligibility (prior loss to government) · In SOP 50 10 8.1: Yes - listed as integrated into SOP 50 10 8.1 (IN 5000-880695)

5000-880695 INFORMATION NOTICE Issued 2026-08-14 · Effective 2026-10-01

Issuance of SOP 50 10 8.1

Issues SOP 50 10 8.1, effective for applications receiving an SBA loan number on/after October 1, 2026; SOP 50 10 8.0 applies through September 30, 2026. It adds change-of-ownership rules in new Appendix 15 (NAGGL reports four COO categories and quality-of-earnings reports for some COO loans), new SBA Express flexibilities, and same-institution debt refinancing. It integrates PolNs 5000-876441, -877629, -879058, -879464 and PNs 5000-872764, -870260, -876777, -875051, -876626. Until forms are updated, lenders must collect the required information and certifications and keep them in the loan file.

Touches: Whole SOP 50 10 · In SOP 50 10 8.1: N/A - this is the 8.1 issuance notice

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5000-881477 POLICY NOTICE Issued 2026-08-14 · Effective 2026-08-14

7(a) International Trade Loan Program Industry Update and Revision to Policy Notice 5000-877629

Revises PolN 5000-877629 to add NAICS Sector 21 subsectors (mining, quarrying, oil and gas extraction, and support activities) to the industries SBA deems adversely affected by international trade. These businesses can more easily qualify for the 7(a) International Trade Loan and its 90% guaranty. Cites EOs 14154, 14241 and 14156.

Touches: Section B Ch.4 (ITL eligibility) · In SOP 50 10 8.1: Unknown - published the same day as the 8.1 issuance notice and not on its integration list; the notice text refers to SOP 50 10 8

5000-881290 INFORMATION NOTICE Issued 2026-09-02 (posted) · Effective 2026-09-01

Renewal of SBA Form 1081, Statement of Personal History

Renews CDC Form 1081 (Statement of Personal History), which now expires April 30, 2029; content is unchanged. CDCs have a 30-day grace period to switch versions.

Touches: 504 / CDC forms (character determinations) · In SOP 50 10 8.1: N/A (form)

5000-881797 INFORMATION NOTICE Issued 2026-09-03 · Effective 2026-10-01 (loans approved 2026-10-01 to 2027-09-30)

7(a) Fees Effective October 1, 2026 for Fiscal Year 2027 and 90-Day Rule Clarification

FY2027 7(a) fees: lender annual service fee stays 0.55% (incl. WCP). Upfront fee is 0% on loans of $700,000 or less to manufacturers (NAICS 31-33), listed food-supply-chain NAICS codes, and businesses in rural areas; this replaces FY2026's manufacturer-only relief up to $950,000. Otherwise upfront fees are unchanged (2% / 3% / 3.5%-3.75%; 0.25% for maturities <= 12 months; $0 SBA Express for veterans; EWCP/WCP maturity-based), and the 90-day rule is restated. References SOP 50 10 8.1 Section A Ch.4 Para. C.

Touches: Fees (Section A Ch.4 Para. C) · In SOP 50 10 8.1: Operates under SOP 50 10 8.1

5000-881796 INFORMATION NOTICE Issued 2026-09-03 · Effective 2026-10-01

FY 2027 504 Program Fees

FY2027 504 fees for loans approved Oct. 1, 2026 to Sept. 30, 2027. The upfront and annual service fees are waived for 504 loans to manufacturers (NAICS 31-33), listed food-supply-chain NAICS codes, and businesses in rural areas, including Debt Refinance with or without Expansion. All other 504 loans pay a 0.50% upfront fee and a 0.203% annual service fee (0.204% for Debt Refinance without Expansion).

Touches: Fees (Section C 504) · In SOP 50 10 8.1: Operates under SOP 50 10 8.1

5000-881289 INFORMATION NOTICE Issued 2026-09-09 · Effective 2027-01-01

504 Debenture Funding Schedule for Calendar Year 2027

Publishes CY2027 504 debenture cut-off, pricing and funding dates; the first sale has a 12/10/26 district cut-off and 1/13/27 funding.

Touches: 504 debentures · In SOP 50 10 8.1: N/A

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90 FR 23422 (FR Doc. 2025-09833) FEDERAL REGISTER Issued 2025-06-03 · Effective 2025-06-03

Civil Monetary Penalties Inflation Adjustments (final rule)

Annual inflation adjustment of civil money penalties, including 13 CFR 120.465 (late reports, to $8,267/day) and 13 CFR 120.1500 (lender formal enforcement penalty, to $306,652).

Touches: 13 CFR 120 enforcement / lender oversight · In SOP 50 10 8.1: N/A

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90 FR 42053 (FR Doc. 2025-16446) FEDERAL REGISTER Issued 2025-08-28 · Effective 2025-10-01 (pools issued on/after)

Information on SBA Secondary Market Program

Keeps the minimum maturity ratio at 89.0% for SBA Standard and WAC 7(a) loan pools issued on or after October 1, 2025.

Touches: 7(a) secondary market · In SOP 50 10 8.1: N/A

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90 FR 47117 (FR Doc. 2025-19072) FEDERAL REGISTER Issued 2025-09-30 · Effective 2025-10-01 (comments due 2025-12-01)

Development Company Loan Program - Job Creation and Retention Requirements; Additional Areas for Higher Portfolio Average

Raises 504 job creation/retention thresholds effective Oct. 1, 2025. Standard projects go from 1 job per $90,000 to 1 per $95,000 of SBA guaranty; small manufacturer and energy public-policy projects from $140,000 to $150,000. The CDC portfolio average for 13 CFR 120.862 'other economic development' projects rises from $90,000 to $150,000, and for AK/HI/enterprise zones/labor surplus/Opportunity Zones from $100,000 to $150,000. Comments were due Dec. 1, 2025.

Touches: 504 job creation (Section C) · In SOP 50 10 8.1: Presumably reflected in 8.1 (unverified)

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91 FR 5805 (FR Doc. 2026-02660) FEDERAL REGISTER Issued 2026-02-10 · Effective 2026-03-01

7(a) Alternative Base Rate Options (notification)

The Federal Register notice required by 13 CFR 120.214(c) that authorizes SOFR and the 5- and 10-year Treasury rates as alternative base rates for variable-rate 7(a) loans, including 7(a) pilots, effective March 1, 2026. Companion to PN 5000-875051.

Touches: Section B Ch.1 interest rates · In SOP 50 10 8.1: Yes (via PN 5000-875051)

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90 FR 35748; 90 FR 45969; 90 FR 59930; 91 FR 15683; 91 FR 39651 FEDERAL REGISTER

Issued 2025-07-29; 2025-09-24; 2025-12-22; 2026-03-30; 2026-06-30 · Effective quarterly

Interest Rates (quarterly SBA notices)

Quarterly FR publication of the SBA Optional Peg Rate and related rates. The June 30, 2026 notice covers July-Sept 2026; no matching sba.gov information notice was found on the document search.

Touches: Interest rates · In SOP 50 10 8.1: N/A

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91 FR 55737 (FR Doc. 2026-17731) FEDERAL REGISTER Issued 2026-08-31 · Effective 2026-08-31

Rescinding Unnecessary Notice and Comment Procedures (final rule)

Removes 13 CFR 101.108, under which SBA voluntarily used notice-and-comment even for loan, grant and benefit rules exempt under the APA. Future 13 CFR 120 loan-program rules may therefore issue without advance comment.

Touches: 13 CFR 101 (affects future 13 CFR 120 rulemaking) · In SOP 50 10 8.1: N/A

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90 FR 41168 (FR Doc. 2025-16142) FEDERAL REGISTER Issued 2025-08-22 · Effective proposed

Small Business Size Standards: Monetary-Based Industry Size Standards (proposed rule)

Proposed update to receipts-based size standards (13 CFR 121), which feed 7(a)/504 size eligibility (alongside the alternative size standard). Proposed only.

Touches: Section A Ch.2 size (13 CFR 121) · In SOP 50 10 8.1: N/A

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91 FR 53741 / 91 FR 54096 (FR Docs. 2026-17042, 2026-17039) FEDERAL REGISTER

Issued 2026-08-20 · Effective proposed

Small Business Size Standards (proposed rule) and Revised Size Standards Methodology

Proposed revision of size standards and the methodology (13 CFR 121); relevant to 7(a)/504 size eligibility if finalized. Proposed only.

Touches: Section A Ch.2 size (13 CFR 121) · In SOP 50 10 8.1: N/A

PART FOUR

The watch list

20 places where SOP 50 10 8.1 contradicts itself, points somewhere that no longer exists, or drops a rule without replacing it.

Watch list

A new SOP always carries drafting slips, and the first months after an effective date are when lenders interpret them differently. These are the items PCA expects to generate inconsistent answers, and the ones worth confirming with a specific lender before a buyer relies on them.

Affiliation · Franchise and license agreements after the 2023 affiliation rule

The sentence "franchise, license or similar agreements no longer need to be reviewed for control" is deleted. The rest stands: except for management agreements in the FDD of a Directory brand, franchise, license, or similar agreements "must be reviewed" for sole discretion over employees, finances and bank accounts.

> **PCA NOTE** The old text was self contradictory; the new text leaves only the review obligation. Lenders should expect to read any license, management or operating agreement outside a listed FDD for passive business risk.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ D.4, p. 16

Ineligible businesses · Leveled or middle operator models (for example cleaning services)

A new item lists "Businesses that provide a leveled model where the small business owner relies on the services of a middle level operator (e.g. cleaning service models) and does not have ownership of the contracts that support the business operation." It sits in the list of renting or leasing businesses that "may be eligible," but the sentence states no eligibility outcome.

> **PCA NOTE** The drafting is unclear, but PCA reads it as a passive business concern: a buyer who does not own the customer contracts and relies on a master operator should expect lenders to treat the deal as ineligible. Buyers of cleaning or route style franchises should confirm the operating company holds the customer contracts.

SOP 50 10 8.1, Sec. A, Ch. 1, ¶ E.3.i.vi, p. 21

Appendix 3 definitions · Principal Residence

"Principle Residence: Principal Residence is defined by IRS Publication 523." (The heading misspells "Principle.")

> **PCA NOTE** IRS Pub. 523 looks at where the person lives most of the time plus factors like work location, tax filings, voter registration and driver's license. Owners who split time between countries should be ready to document U.S. principal residence.

SOP 50 10 8.1, App. 3, "Principle Residence," p. 284

Appendix 3 definitions · Key Employee (of a loan applicant or Borrower)

"A person employed by the business who has the experience, qualifications, or required license to run the business, or who manages the business's day to day for owner(s), including making decisions about hiring and firing employees, handling payroll, and managing the business's finances."

> **PCA NOTE** Because Key Employees are Associates, the broader definition widens who is screened for character and conflict purposes; it now captures licensed professionals and general managers whose credentials carry the business.

SOP 50 10 8.1, App. 3, "Key Employee (of a loan applicant/Borrower)," p. 281

Restrictions on uses of proceeds · Payments to Associates

Same restriction and same exception; the text still points to "Section B of this SOP" for change of ownership guidance, which now sits in Appendix 15.

> **PCA NOTE** PCA notes the cross reference is stale: look to Appendix 15 for the change of ownership rules. Distributions to insiders out of loan proceeds remain off limits.

SOP 50 10 8.1, Sec. A, Ch. 3, ¶ B.1, p. 53

Fees lender may charge · Extraordinary servicing fee: 2% cap and program exceptions

The 2% cap now applies "unless otherwise specified in Section B, 7(a) Loan Program Specific Requirements." The above 2% allowance for Working Capital CAPLines moves to Sec. B, Ch. 4, ¶ D.1 (p. 155) and for EWCP to Sec. B, Ch. 5, ¶ B.6 (p. 172), both "at the time of the annual review." The approval subparagraph (now ii) still refers to "Subparagraph b. i. and b. ii." although b.ii was removed.

> **PCA NOTE** Asset based borrowers should read the program chapter, not just Chapter 4, to see the fee ceiling that applies.

SOP 50 10 8.1, Sec. A, Ch. 4, ¶ C.2.b.i to ii, pp. 68 to 69; Sec. B, Ch. 4, ¶ D.1, p. 155; Sec. B, Ch. 5, ¶ B.6, p. 172

Appendix 7 · Gas station loans

Same requirements; certification and uploads now reference "the SBA Loan System." The seller indemnification cross reference still reads "Section A, Chapter 6, E.6.d.i" (the provision is actually Ch. 5, Para. E.5.d.i).

> **PCA NOTE** Buyers of contaminated fuel sites still need the seller to sign the indemnity; a mere refusal by the seller is not grounds for a waiver.

SOP 50 10 8.1, App. 7, p. 303 to 304

Location of change of ownership rules · Standard 7(a) uses of proceeds

Sec. B, Ch. 1, ¶ A.2 now reads only "Change of Ownership: See Appendix 15: 7(a) Changes of Ownership." Appendix 15 consolidates eligibility, categories, uses of proceeds, maturities, due diligence, equity, underwriting, collateral and submission for all 7(a) change of ownership loans, and "If any section of SOP 50 10 conflicts with this Appendix, the rules contained in this Appendix shall govern."

> **PCA NOTE** PCA recommends every acquisition checklist, LOI template and lender term sheet now cite Appendix 15 rather than Chapter 1. Where Chapter 1 and Appendix 15 differ, Appendix 15 controls.

SOP 50 10 8.1, Sec. B, Ch. 1, ¶ A.2, p. 117; App. 15, pp. 342 to 363

Appendix 15 framework · Purpose and override clause

Change of ownership transactions "include credit risks that are not present in other segments of 7(a) lending." The Lender "must demonstrate the Applicant's ability to operate the business and repay the loan from cash flow" and "must satisfy all financial due diligence requirements." Sections not addressed remain governed by 7(a) program rules; Appendix 15 governs in any conflict.

> **PCA NOTE** SBA is signaling that acquisition loans will be examined as a distinct risk class. Expect lenders to apply the appendix literally and to document each element for purchase reviews.

SOP 50 10 8.1, App. 15, intro, p. 342

Cross references · Appendix 19 valuation pointer

App. 19 ¶ A.1.e tells Lenders to comply with Appendix 15 valuation and appraisal rules "including any required independent valuation thresholds, special purpose property requirements, and lender verification." App. 15 contains only the verification rule. App. 15 also cross references "Paragraph A.1" for the Purchase Price though it is defined in ¶ A.2.

> **PCA NOTE** PCA flags these drafting gaps for lender counsel; SBA may issue a technical update. Until then, apply the stricter reading.

SOP 50 10 8.1, App. 19, ¶ A.1.e, p. 382; App. 15, ¶ A.2 and C.1.a.iv, pp. 342 and 351

Debt refinancing · Same lender seller debt and assumption language in change of ownership

These two statements are not carried into Appendix 14 or Appendix 15. Appendix 14 instead says SBA does not treat as same institution debt a payoff of the seller's loan in an "Initial Acquisition change of ownership."

> **PCA NOTE** PCA reads the removal of the assumption language as a drafting consolidation rather than a ban on assumptions, but buyers should no longer expect the SOP to require that an assumption be offered.

SOP 50 10 8.1, App. 14, ¶ A.4.d.iii, p. 337; App. 15, ¶ A.3.a, p. 349

7(a) Small and SBA Express collateral · Equipment, furniture, trading asset and vehicle rules

Appendix 19 ¶ B.2 refers to "the valuation limits set forth in this Appendix" and to a vehicle exception, but Appendix 19 only states the real estate limits. The equipment, furniture, trading asset and $20,000 vehicle rules now appear only in the change of ownership collateral section of Appendix 15.

> **PCA NOTE** PCA reads this as a drafting gap rather than a policy change. Lenders will likely keep using the old discounts until SBA clarifies, and should document which values they applied.

SOP 50 10 8.1, App. 19, ¶ B.2.c, p. 384; App. 15 collateral, p. 360

7(a) Small and SBA Express submission · Document list for Small and Express

Appendix 20 ¶ B.1: for "Standard 7(a) Loans, 7(a) Small Loans, Express, Export Express and MARC Loans" all general requirements apply with "No additional program specific exceptions." The general list includes tax transcripts plus 3 years of business financial statements or returns and interims; for start ups and changes of ownership, projections showing DSC of at least 1.15 within 2 years; leases; equipment quotes; listings of assets purchased and collateral.

> **PCA NOTE** PCA reads this as a heavier file for Express and Small loans, at least on paper, and a possible conflict with the 1.10 DSCR and 12 month projection method in Chapter 2. Brokers should prepare a full package on small deals and confirm with the lender which standard it applies.

SOP 50 10 8.1, App. 20, ¶ A.1 and ¶ B.1, pp. 390 to 393

CAPLines · No change of ownership financing

The sentence is dropped from the introduction, but Section A still says change of ownership is not an eligible use for CAPLines, and Contract CAPLines still list it as ineligible.

> **PCA NOTE** PCA reads no change in substance: a CAPLine can support working capital after closing but cannot fund the purchase.

SOP 50 10 8.1, Sec. B, Ch. 4, ¶ A, p. 145; Sec. A, Ch. 2 (introduction), p. 41

Working Capital CAPLines · Receivable advance rates

New rates: eligible domestic receivables 85%, eligible insured foreign receivables 90%, prime Federal contract receivables 90%. The old 80% sentence is also still printed in the same paragraph.

> **PCA NOTE** PCA reads the new 85% figure as the intended rule, borrowed from the Working Capital Pilot guide, but the SOP contradicts itself. Lenders should confirm with SBA before advancing above 80%.

SOP 50 10 8.1, App. 20, ¶ B.2.d, p. 400

Export Express · Eligible export development activities

The list now has only: translation of brochures, a general export line of credit (at least 70% export use), foreign service contracts, transaction specific financing, acquiring or improving a U.S. production facility or equipment for export production, and term loans to develop foreign markets. Standby letters of credit, trade shows, real estate or equipment purchase as a standalone item, indirect exports and change of ownership no longer appear in the list.

> **PCA NOTE** PCA reads the shorter list as a narrowing; lenders relying on Export Express for trade show costs or standby letters of credit should confirm eligibility with SBA before closing, even though Appendix 19 still refers to Export Express lines that support standby letters of credit.

SOP 50 10 8.1, Sec. B, Ch. 5, ¶ A.1.a.i to vi, p. 157

Application submission · Application list renumbering and ASM cross reference

A new item iii (TPL underwriting analysis for projects of $5,000,000 or more) shifts the list to i to xxiii, but ASM still says "2.a.i. through 2.a.xiv," which now ends at the size standard financial statements; the interim balance sheet and income statement dated within 120 days is item xv.

> **PCA NOTE** PCA reads this as a renumbering side effect rather than a policy change. CDCs using ASM should keep including the current interim statements until SBA clarifies.

SOP 50 10 8.1, Sec. C, Ch. 1, ¶ F.2.a, pp. 238 to 241; ¶ F.3.d.i, p. 242

Closing and disbursement · Third Party Lender participation fee

"Third party lender participation fees must be withheld from the CDC Processing Fee. Checks or other paper instruments are not accepted."

> **PCA NOTE** The 0.50% one time participation fee on a senior TPL is now collected only by withholding it from the CDC processing fee at the debenture sale. The Section A fee table still says the fee may be paid by the TPL, CDC or Borrower, so the CDC and bank should agree at term sheet who bears it economically.

SOP 50 10 8.1, Sec. C, Ch. 2, ¶ C.5.a.xi.f), p. 259

Appendix 3 Definitions · Associate

The Associate definition text is unchanged. The citizenship six month lookback is now keyed to "any direct or indirect owner of the business" rather than to Associates.

> **PCA NOTE** Because the definition of Key Employee widened (see below), more managers can fall inside the Associate net for conflict of interest and fee purposes, even though the citizenship lookback now focuses on owners.

SOP 50 10 8.1, App. 3, p. 277 to 278; Sec. A, Ch. 1, ¶ F, p. 29

Appendix 15 internal structure note · Drafting inconsistency

The App. 15 preamble says "Section B defines the four transaction categories ... Sections C through E set forth uses of proceeds, loan terms, and credit standards," but the appendix is actually lettered A (requirements, types, guaranties, uses of proceeds), B (loan terms), C (credit standards), D (submission). If any SOP section conflicts with App. 15, App. 15 governs the change of ownership transaction.

> **PCA NOTE** Cite App. 15 by the actual letters in the body, not the preamble description, and remember App. 15 overrides conflicting general rules for acquisitions.

SOP 50 10 8.1, App. 15, intro and ¶ A to D, p. 342 to 363

What this means for a deal in flight

The practical question for anyone with a deal in flight is timing. SOP 50 10 8.1 applies to applications that receive an SBA loan number on or after October 1, 2026. A deal that gets its number before that date is underwritten under SOP 50 10 8, even if it closes later. A deal that slips past the line picks up the new coverage test, the new equity math, the new amortization cap and, at a $3 million price, a Quality of Earnings report that takes weeks to produce.

That makes the next few weeks a sorting exercise. Deals that were marginal at 1.15 coverage with projections are not fundable at 1.25 on history. Structures that leaned on a large seller note to carry the equity injection need rebuilding. Loans that were sized on a 25 year amortization because the real estate crossed 51 percent now have to be blended or split.

Pioneer Capital Advisory is an SBA 7(a) acquisition financing advisory firm. PCA works with buyers before and after the LOI, structures the debt, and takes the deal to the lenders whose credit appetite actually fits it rather than to whoever is nearest.

Talk it through

Pre LOI: searcher or buyer meet and greet	calendly.com/d/cm3b-tbk-qvh/pre-loi-searcher-meet-greet-call
Under LOI: deal structuring call with PCA	calendly.com/d/cq7g-4zk-mm8/i-have-a-deal-under-loi-call-with-pca
Independent sponsors, pre LOI	calendly.com/rafael-pioneercap/pre-loi-independent-sponsor-financing
Independent sponsors, under LOI	calendly.com/rafael-pioneercap/under-loi-call-independent-sponsor-financing

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