

## SBA Announces New Fee on Leverage Draws and New Process for Leverage Approval Notices

Written by Jennifer V. Audeh, Robert G. Sawyer

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On August 14, 2019, the U.S. Small Business Administration (“SBA”) announced that it will charge a new fee on draws of committed SBA leverage made on and after October 1, 2019.

The new fee will be a one-time fee withheld from the proceeds of leverage draws equal to 0.01% of the face amount of regular Debentures but will not apply to Early Stage, LMI, or Energy Savings Debentures. The fee will be used to compensate SBA’s Trustee (The Bank of New York Mellon) for services related to the pooling of SBIC Debentures and servicing of the Trust Certificates.

SBA also announced that it will replace fax numbers with email addresses in the Approval Notices issued by SBA in connection with all draw requests. SBA will now e-mail (rather than fax) Approval Notices to SBICs for each approved draw down of leverage and in order to take down funds, SBICs will then email (rather than fax) executed Approval Notices to The Bank of New York Mellon at the e-mail address set forth in the Approval Notice. This change will be effective with Approval Notices issued after Wednesday, August 14, 2019. There is no change to the leverage funding process for outstanding Approval Notices issued on or prior to August 14, 2019.

SBA has updated the Leverage Commitment Application instructions and Leverage Draw Application instructions to reflect these changes.

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