

SAMPLE

[DATE]
[Borrower Name]
[Address]

RE: Availability of Debt Relief Payments for your SBA Loan

Dear SBA Borrower:

The purpose of this letter is to inform you about the debt relief assistance available to your business from the U.S. Small Business Administration (SBA) under Section 1112 of the Coronavirus, Aid, Recovery and Economic Security Act (CARES Act). As a borrower with a loan in one of SBA's business loan programs, including the 7(a) Loan Program, the 504 Certified Development Company Loan Program, or the Microloan Program, your business may be eligible to receive the assistance described in this letter. This assistance is not available to loans made under the Paycheck Protection Program. Your business may have already received assistance from SBA over the past year under Section 1112 of the CARES Act. In this letter, SBA describes the additional assistance to which your business may be entitled.

If your business was approved for an SBA loan during the periods described below, SBA will make the regular monthly loan payments (including the principal, interest and certain associated fees) on behalf of your business for the number of months listed below. To be eligible to receive these payments, your loan must be fully disbursed (that is, the lender has paid you the full amount approved under your loan) and in a regular servicing status (that is, your loan has not defaulted and been moved into a liquidation status). Please note that the number of months for which your loan may receive this assistance is subject to adjustment based on the availability of funds provided by Congress.

- **If your 7(a) loan, 504 loan or Microloan was approved on or before September 27, 2020:** SBA will make your regular loan payments for up to a 6-month period. SBA began making these payments for certain loans in April 2020. If your loan was approved on or before September 27, 2020, but your loan was fully disbursed after September 27, 2020, SBA will make these payments for up to a 6 month period. If your loan has not yet been fully disbursed by your lender, SBA will make these payments for up to a 6-month period beginning with the first payment due after full disbursement. Your loan may also be eligible for additional assistance under the bullets that follow.



- **For a 504 loan or a 7(a) loan (except for a 7(a) loan made under the Community Advantage Pilot Program) that was approved before March 27, 2020:** After SBA completes making the loan payments for the 6-month period described in the first bullet above, SBA will make your regular loan payments for up to an additional 3-month period beginning with the next payment due on or after February 1, 2021 (or beginning with the next payment due after any deferment period granted your loan).
- **If your business is assigned a North American Industry Classification System code** beginning with 61, 71, 72, 213, 315, 448, 451, 481, 485, 487, 511, 512, 515, 532, or 812 (please refer to www.naics.com for listing of codes), SBA will make your regular monthly loan payments for up to an additional 5-month period (for a total of 8 months) starting immediately after this 3-month period.

No single monthly payment that SBA makes for these loans during the additional 3-month period or the additional 8-month period will exceed \$9,000.

- **For a Microloan or a 7(a) loan made under the Community Advantage Pilot Program that was approved before March 27, 2020:** After SBA completes making the loan payments for the 6-month period described in the first bullet above, SBA will make your regular loan payments for up to an additional 8-month period beginning with the next payment due on or after February 1, 2021 (or beginning with the next payment due after any deferment period granted your loan.) No single monthly payment that SBA makes for these loans during this additional 8-month period will exceed \$9,000.
- **For a 7(a) loan, 504 loan or Microloan approved beginning on March 27, 2020 and ending on September 27, 2020:** After SBA completes making the loan payments for the 6-month period described in the first bullet above, your loan may receive additional assistance if SBA determines that there are sufficient funds.¹
- **For a new 7(a) loan, 504 loan or Microloan approved beginning on February 1, 2021 and ending on September 30, 2021:** Subject to the availability of funds, SBA will make your regular loan payments for up to a 6-month period beginning with the first payment due on the new loan after full disbursement. No single monthly payment that SBA makes for these loans will exceed \$9,000. Your business is not eligible for this assistance on this new loan if your business has received (or will receive) debt relief on any other 7(a) loan, 504 loan, or Microloan that was approved on or after March 27, 2020 and ending on September 27, 2020.

For more information about this debt relief program, please refer to SBA's website at www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-debt-relief.

You do not need to take any action to receive the assistance described in this letter. However, if your business has not received, or does not receive, the assistance summarized above, and

¹ Loans that were approved beginning on September 28, 2020 and ending on January 31, 2021 are not eligible for any assistance under Section 1112 of the CARES Act.

you believe that your loan is eligible for such assistance, you should immediately contact the lender of your loan.

Finally, SBA informs you that, if you expect it to be difficult for your business to make loan payments after the payments made by SBA have been completed, you may contact your lender to request that your loan be granted a deferment that would begin the first month after the SBA payments have completed. Your lender will determine whether deferment is appropriate based upon your current circumstances and in accordance with SBA loan program requirements.

Sincerely,

U.S. Small Business Administration

