

Newsletter

SBA 504 Program - Approval Turnaround Times

SBA 504 Effective Rates for July 2021

25-year - 2.82% / 2.86% Refi ~ 20-year - 2.70% / 2.74% Refi ~ 10-year - 2.60% / 2.66% Refi

SBA's turnaround times for 504 loan approvals currently average over 22 business days, which is the highest it has been in years. While this is unfortunate and frustrating for everyone involved, due to the circumstances, it is not completely unexpected. Just like most organizations, the pandemic has created some interesting challenges for SBA. These challenges include the navigation of employees working from home, workers being out for extended periods of time, staff being stretched thin between several different, and constantly changing, CARES Act and COVID relief programs, and a record number of 504 loan submissions (nationwide approvals have increased 20% over the previous year).

However, NWBDA believes that we will be seeing improved turnaround times soon due to several factors:

First, the SBA HQ has approved surge staffing for the SBA Sacramento Loan Processing Center and will be expediting onboarding and training of the new staff. Furthermore, due to the reducing number of COVID cases and the reopening of states and cities, we speculate that many of SBA's employees will be returning to their physical offices soon, which should increase efficiencies.

Additionally, the "Express Loan Authority" guidance from SBA is expected to be released soon, after which several Certified Development Companies (including NWBDA) will be granted authority to approve, authorize, close, and service 504 loans up to \$500,000, subject to SBA's review and acceptance of eligibility only (SBA shall not review authorized Certified Development Company's decisions involving creditworthiness, loan closing, or compliance with legal requirements imposed by laws and regulations).

Despite the current loan approval turnaround times, the SBA 504 Loan Program still has the same advantages for thriving and recovering small businesses alike, all around the Pacific Northwest, due to historically low fixed interest rates and the long loan terms that are incredibly important to small business owners everywhere.

NWBDA remains committed to taking care of borrowers and is looking forward to bringing some of the smaller loan approval processes in-house. We will continue to send out any SBA guidance that we receive. In the meantime, we encourage you to please reach out with any questions.

Serving Washington, Idaho, Oregon and Alaska

SBA's Closes Restaurant Revitalization Fund

The U.S. Small Business Administration (SBA) announced the closure of the Restaurant Revitalization Fund (RRF) after awarding the program's full \$28.6 billion appropriation to more than 100,000 restaurants, bars, and other businesses that provide on-site food and drink.

"The \$28.6 billion Restaurant Revitalization Fund provided desperately needed relief to more than 100,000 restaurants and other food and beverage businesses across the Nation with significant funding going to our hardest-hit, underserved businesses," **said SBA Administrator Isabel Guzman**. "As among the first to close in this pandemic and likely the last to reopen, many are still struggling to survive. The SBA will continue to work hard to ensure they get the resources they need to recover."

As of June 30, 2021, the RRF program received more than 278,000 eligible applications representing over \$72.2 billion requested funds. Approximately 101,000 applications have been approved for restaurants, bars, and other restaurant-type businesses. Underserved populations received approximately \$18 billion in grant awards including:

- \$7.5 billion to women-owned businesses
- \$1 billion to veteran-owned businesses
- \$6.7 billion to social and economically disadvantaged-owned businesses
- \$2.8 billion to businesses owned by representatives of multiple underserved populations

The remainder of the \$28.6 billion was awarded to eligible applicants not identified as part of an underserved group.

Read the full report: <http://ow.ly/fwMr50Fs6Sp>

June's Loan Fundings

NWBDA funded **6** new projects for the total amount of **\$18,903,681.56**

June's Loan Approvals

NWBDA approved **7** new projects for the total amount of **\$11,485,540.00**

In the month of June, NWBDA helped **create 62 new jobs** in the local communities

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