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## What the New Small Business Administration Fee Waiver Means for Businesses

The fee reduction is intended to open more financial opportunities



As the calendar flips to October, small businesses should know how the U.S. Small Business Administration's (SBA) upcoming fee waiver will impact their finances. From Oct. 1, 2021, through Sept. 30, 2022, the SBA will waive the upfront guaranty fee on 7a, Express, EWCP, etc., loans for amounts up to \$350,000 and the ongoing servicing fee.

This fee reduction will allow small businesses more accessible access to financial support options and more revenue to sustain internal exports, capital levels and credit. To ensure its clients are aware of how the new fee structure could impact their business, [First American Bank](#) is launching a campaign to educate business owners on the merits of the change.

“First American Bank will spread awareness of the new fee waiver through links across our website and within our monthly business newsletters,” says Alan Lane-Murcia, SBA Program Manager for First American Bank. “Our loan officers are also well aware of the waiver, so they will be sure to tell all customers seeking a loan below \$350,000 that it is an option.”



Before the upcoming change, SBA loans covered only up to \$150,000, which kept smaller businesses struggling with capital shortages from finding the support they needed after fees. With the new \$350,000 threshold and waiver beginning Oct. 1, these businesses will gain more access to obtain financial aid by enticing more banks to offer smaller-dollar loans.

Additional SBA loan details and changes include:

- For loans between \$350,001-\$1,000,000, the SBA upfront fee and ongoing serving fee will be slightly reduced. For loans over \$1,000,000, standard SBA fees (calculated by the SBA) will apply.
- For all loans approved by the SBA starting Oct. 1, standard guaranty percentages will apply.
- 504 loans will revert to their standard fees on Oct. 1, including loans currently not approved.
- SBA loans (except 504) approved by the SBA by Sept. 30 will have a 90% guaranty (75% for Express loans) and a \$0 fee.