Small Business Administration § 108.1200

absence of such board members, fees must be reasonable when compared with amounts paid to outside directors of similar companies. Fees may be in the form of cash, warrants, or other payments. At least 50 percent of any such fees paid to your Associate by a Small Business for service by the Associate as a board member must be allocated back to you for your benefit.

(e) Transaction fees. (1) You or your Associate may charge reasonable transaction fees for work performed such as preparing a Small Business for a public offering, private offering, or sale of all or part of the business, and for assisting with the transaction. Fees may be in the form of cash, notes, stock, and/or options. At least 50 percent of any such fees paid to your Associate by a Small Business for transactions work done by the Associate must be allocated back to you for your benefit.

(2) Your Associate may charge market rate investment banking fees to a Small Business on that portion of a Financing that you do not provide.

(f) Recordkeeping requirements. You must keep a record of hours spent and amounts charged to the Small Business, including expenses charged.

§ 108.1120 General eligibility requirement for Leverage.

To be eligible for Leverage, you must be in compliance with the Act, the regulations in this part, and your Participation Agreement.

§ 108.1130 Leverage fees payable by NMVC Company.

There is no fee for the issuance of Debentures by a NMVC Company.

§ 108.1140 NMVC Company’s acceptance of SBA remedies under § 108.1810.

If you issue Leverage, you automatically agree to the terms and conditions in §108.1810 as it exists at the time of issuance. The effect of these terms and conditions is the same as if they were fully incorporated in the terms of your Leverage.

MAXIMUM AMOUNT OF LEVERAGE FOR WHICH A NMVC COMPANY IS ELIGIBLE

§ 108.1150 Maximum amount of Leverage for a NMVC Company.

The face amount of a NMVC Company’s outstanding Debentures may not exceed 150 percent of its Leverageable Capital.

CONDITIONAL COMMITMENTS BY SBA TO RESERVE LEVERAGE FOR A NMVC COMPANY

§ 108.1200 SBA’s Leverage commitment to a NMVC Company—application procedure, amount, and term.

(a) General. Under the provisions in §§108.1200 through 108.1240, you may apply for SBA’s conditional commitment to reserve a specific amount and type of Leverage for your future use. You may then apply to draw down Leverage against the commitment.

(b) Applying for a Leverage commitment. SBA will notify you when it is accepting requests for Leverage commitments. Upon receipt of your request, SBA will send you a complete application package.

(c) Limitations on the amount of a Leverage commitment. The amount of a Leverage commitment must be a multiple of $5,000. SBA, in its discretion, may