

If you are interested in more information on the proposal, or want to provide feedback on additional questions, click here. Comments should be received on or before October 1, 2021.

Thank you!

[FR Doc. 2021-18901 Filed 8-31-21; 8:45 am]

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**SMALL BUSINESS ADMINISTRATION**

**Change to SBA Secondary Market Program**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice of change to secondary market program.

**SUMMARY:** The purpose of this Notice is to inform the public that the Small Business Administration (SBA) is making a change to its Secondary Market Loan Pooling Program. SBA is increasing the minimum maturity ratio for both SBA Standard Pools and Weighted-Average Coupon (WAC) Pools by 400 basis points, to 93.0%. The change described in this Notice is being made to cover the estimated cost of the timely payment guaranty for newly formed SBA 7(a) loan pools. This change will be incorporated, as needed, into the SBA Secondary Market Program Guide and all other appropriate SBA Secondary Market documents.

**DATES:** This change will apply to SBA 7(a) loan pools with an issue date on or after October 1, 2021.

**ADDRESSES:** Address comments concerning this Notice to John M. Wade, Chief Secondary Market Division, U.S. Small Business Administration, 409 3rd Street SW, Washington, DC 20416; or [john.wade@sba.gov](mailto:john.wade@sba.gov).

**FOR FURTHER INFORMATION CONTACT:** John M. Wade, Chief, Secondary Market Division at 202-205-3647; or [john.wade@sba.gov](mailto:john.wade@sba.gov).

**SUPPLEMENTARY INFORMATION:** The Secondary Market Improvements Act of 1984, 15 U.S.C. 634(f) through (h), authorized SBA to guarantee the timely payment of principal and interest on Pool Certificates. A Pool Certificate represents a fractional undivided interest in a "Pool," which is an aggregation of SBA guaranteed portions of loans made by SBA Lenders under section 7(a) of the Small Business Act, 15 U.S.C. 636(a). In order to support the timely payment guaranty requirement, SBA established the Master Reserve Fund (MRF), which serves as a mechanism to cover the cost of SBA's timely payment guaranty. Borrower payments on the guaranteed portions of pooled loans, as well as SBA guaranty

payments on defaulted pooled loans, are deposited into the MRF. Funds are held in the MRF until distributions are made to investors (Registered Holders) of Pool Certificates. The interest earned on the borrower payments and the SBA guaranty payments deposited into the MRF supports the timely payments made to Registered Holders.

From time to time, SBA provides guidance to SBA Pool Assemblers on the required loan and pool characteristics necessary to form a Pool. These characteristics include, among other things, the minimum number of guaranteed portions of loans required to form a Pool, the allowable difference between the highest and lowest gross and net note rates of the guaranteed portions of loans in a Pool, and the minimum maturity ratio of the guaranteed portions of loans in a Pool. The minimum maturity ratio is equal to the ratio of the shortest and the longest remaining term to maturity of the guaranteed portions of loans in a Pool.

Based on SBA's expectations as to the performance of future Pools, SBA has determined that for pools formed on or after October 1, 2021, SBA Pool Assemblers may decrease the difference between the shortest and the longest remaining term of the guaranteed portions of loans in a Pool by 4 percentage points (*i.e.*, increasing the minimum maturity ratio by 400 basis points). SBA does not expect a 4 percentage point increase in the minimum maturity ratio to have an adverse impact on either the program or the participants in the program. Therefore, effective October 1, 2021, all guaranteed portions of loans in Standard Pools and WAC Pools presented for settlement with SBA's Fiscal Transfer Agent will be required to have a minimum maturity ratio of at least 93.0%. SBA is making this change pursuant to Section 5(g)(2) of the Small Business Act, 15 U.S.C. 634(g)(2).

SBA will continue to monitor loan and pool characteristics and will provide notification of additional changes as necessary. It is important to note that there is no change to SBA's obligation to honor its guaranty of the amounts owed to Registered Holders of Pool Certificates and that such guaranty continues to be backed by the full faith and credit of the United States.

This program change will be incorporated as necessary into SBA's Secondary Market Guide and all other appropriate SBA Secondary Market documents. As indicated above, this change will be effective for Standard

Pools and WAC Pools with an issue date on or after October 1, 2021.

**John M. Wade,**  
Chief, Secondary Market Division, Office of Capital Access.

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**SMALL BUSINESS ADMINISTRATION**

**SBIC Licensing and Examination Fees Inflation Adjustment**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice of SBIC fee increases.

**SUMMARY:** The U.S. Small Business Administration (SBA) is providing notice of the increased licensing and examination fees charged to Small Business Investment Companies (SBICs) due to the annual inflation adjustment required under SBIC program regulations.

**DATES:** The changes to the SBIC program licensing and examination fees identified in this notice take effect on October 1, 2021.

**FOR FURTHER INFORMATION CONTACT:** Steve Knott, Office of Investment and Innovation, at 202-205-7731 or [steve.knott@sba.gov](mailto:steve.knott@sba.gov).

**SUPPLEMENTARY INFORMATION:** Beginning October 1, 2021, the SBIC program regulations at 13 CFR 107.300(b)(2) and 107.692(b)(2) require SBA to annually adjust the licensing and examination fees for SBICs using the Inflation Adjustment defined in 13 CFR 107.50. This document provides notice of that adjustment. The table below identifies the amounts of the adjusted licensing and examination fees payable by SBICs and SBIC license applicants, which become effective on October 1, 2021.

SBIC fee type	Fees amounts (effective Oct. 1, 2021)
<b>Licensing Fees (\$ 107.300)</b>	
Initial Licensing Fee § 107.300(a) .....	\$10,500
Final Licensing Fee § 107.300(b) .....	36,900
<b>Examination Fees (\$ 107.692(b))</b>	
Minimum Base Fee .....	9,500
Maximum Base Fee for non-Leveraged SBICs .....	31,600
Maximum Base Fee for Leveraged SBICs .....	46,400