

## Technical Issues Memo 15-20

**To:** NADCO Members (Please disseminate to all appropriate personnel)

**From:** Rhonda Pointon, Chief Operating Officer, Regulatory Affairs/Training

**Subject:** SBA Notice 5000-20004: Deferment Guidance

**Date:** March 11, 2020

Today, the SBA Published Information Notice 5000-20004 that lays out the existing guidance for loan deferments under the 504, 7a, and Microloan programs. This information is a reminder to CDCs of the existing guidance that CDCs have available to assist businesses adversely affected by the coronavirus disease (COVID-19).

### **504 Loans**

In accordance with [SOP 50 55](#) and 13 C.F.R. § 120.530, CDCs may assist borrowers experiencing temporary cash flow issues by deferring payments for a stated period of time.

The amount deferred should not exceed six (6) cumulative monthly payments or 20% of the original loan amount, whichever is less. Unless SBA has purchased the Debenture, the CDC must notify the Central Servicing Agent (CSA) of any deferment in order to avoid acceleration of the Note and the need to purchase the Debenture.

For additional details and specific guidance regarding deferments of 504 loans, please refer to [SOP 50 55](#), Chapter 12 Deferments, pages 75-77.

NADCO will continue communication with SBA while monitoring the evolving coronavirus disease (COVID-19).

If you would like to access this TI Memo, or the SBA Information Notice via the NADCO website, please click below.

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[SBA Information Notice 5000-20004](#)