

SOP 50 10 5(K) ISSUED TO TAKE EFFECT APRIL 1, 2019

This new version of the SOP provides many of the important clarifications that NAGGL and its Technical Issues Committee have requested, as well as other changes determined to be necessary and appropriate by SBA. SBA has detailed the most significant changes in [Information Notice 5000-19004](#), Issuance of SOP 50 10 5(K)**, dated February 15, 2019. We expect additional guidance and more sweeping changes to come in the next version of the SOP (SOP 50 10 6?) that is tentatively scheduled to be issued by the end of the calendar year.

WHAT'S INCLUDED IN THE 5(K)

- **Adoption of changes issued in [SBA Policy Notice 5000-17057](#) related to –**
 - **Personal resources test** – raising threshold from 10% ownership to 20% ownership (pp. 102-103, 180, 184) [Reminder: proposed new regulation now under consideration at SBA]
 - **Equity injection** requirements for changes of ownership between existing owners
 - **Financing direct marijuana businesses** which remain illegal under federal law (pp. 107-108)
- **Adoption, with major revisions of changes in [SBA Policy Notice 5000-19057](#) related to –**
 - Financing **indirect marijuana businesses** – specifying that businesses that provide services that could reasonably be determined to aid in the use, growth, enhancement or other development of marijuana are ineligible, and providing examples of those types of businesses; but clarifying that SBA does not consider a business that merely provides normal business services (e.g., a plumber who fixes a sink, or a tech support company that repairs a laptop) to be aiding the use, growth, enhancement or other development of marijuana (pp 107-108)

[READ MORE](#)

WHAT'S **NOT** INCLUDED IN THE 5(K)

- Implementation of recent statutory change which effectively raises **appraisal**

threshold from \$250,000 to \$500,000 – SBA has a notice in progress to implement that change, but in the meantime has advised that **lenders may rely on the higher threshold**

- Implementation of recent lender oversight statute – SBA is currently drafting implement regulations

Please review the [implementing notice](#) and the [SOP](#) for details regarding the changes and clarifications in the 5(K)**.

As always, NAGGL will be working closely with SBA to assure resolve any issues regarding interpretations of the new or changed requirements and will provide additional clarifications to member as appropriate. Questions? [Email us >](#)

[****NOTE:** SBA will not be providing a tracked-changes version of the 50105(K); NAGGL and SBA are aware that the currently available version does not allow copying & pasting of citations. We are hopeful that an unprotected version will be provided by the agency.]

[READ FULL ARTICLE](#)

JOIN THE CONVERSATION



The News Flash is emailed by the National Association of Government Guaranteed Lenders to its members. Nothing may be reprinted in whole or part without written permission from NAGGL.

All rights reserved. © 2019 NAGGL, Inc.