



SBA Procedural Notice

TO: All SBA Employees and SBA Lenders

CONTROL NO.: 5000-20009

SUBJECT: Guidance on Acceptable Signatures for Applications and Loan Documents in the 7(a) and 504 Business Loan Programs

EFFECTIVE: 3/24/2020

The purpose of this Notice is to provide guidance to SBA Lenders (including 7(a) Lenders and Certified Development Companies (CDCs)) regarding acceptable signatures on applications and other loan documents for 7(a) and 504 business loans during this period of uncertainty due to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic.

7(a) and 504 Business Loans

As set forth in Standard Operating Procedure (SOP) 50 10, SBA currently permits SBA Lenders to use electronic signatures on SBA forms and other documents requiring signatures in connection with 7(a) and 504 business loans provided they comply with the standards outlined in Appendix 8 to the SOP.

Effective immediately and until September 30, 2020, where electronic signatures are not feasible, all SBA Lenders may accept scanned copies of signed applications and loan documents, provided the SBA Lender also obtains:

1. A copy of the individual's driver's license or other valid form of identification (front and back); and
2. A valid original signature on the applicable document within 6 months of the date of the Note.

If the SBA Lender fails to obtain the required original signature within 6 months of the date of the Note, for 7(a) loans, SBA may deny liability on the guaranty in full and, for 504 loans, SBA may pursue a CDC recovery claim under 13 CFR § 120.938.

SBA Lenders must retain the required documents in accordance with SOP 50 10, Subpart A, Ch. 1, Para. II.E.6 (for 7(a) Lenders) and Ch. 3, Para. II.B.8 (for CDCs).

SBA Lenders are reminded to protect all Personally Identifiable Information (PII) in accordance with all applicable privacy and other laws and practices.

Questions

Questions on this Notice may be directed to the Lender Relations Specialist in the local SBA Field office. The local SBA Field office may be found at <https://www.sba.gov/tools/local-assistance/districtoffices>.

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