

## 7(a) Loan Payment Guidance

**7(a) language:** Under the CARES Act, 7(a) Borrowers are relieved of any obligation to pay the principal, interest and any associated fees that are owed on a 7(a) loan in a regular servicing status (including Community Advantage loans) for a 6-month period beginning with the first payment due on a loan after March 27, 2020. SBA will pay this first loan payment to the Lenders within 30 days of the first loan payment due date after March 27, 2020. If a Lender receives a loan payment from a Borrower after March 27, 2020, the Lender must inform the Borrower that it has the option of the Lender either returning the loan payment to the Borrower or applying the loan payment to further reduce the loan balance after application of SBA's payment.

To make the first payment, SBA will need Lenders to provide the gross monthly loan amount due (that includes both the guaranteed and non-guaranteed portions of the loan) as soon as possible to the FTA. SBA will provide further guidance to Lenders on the method and the date by which Lenders must provide the gross monthly loan amount.

SBA will be providing more guidance to lenders shortly which will be provided through their respective banking and trade associations. This will happen in the next 24 hours.