SBA Information Notice

TO: All SBA Employees,7(a) Lenders, Certified Development Companies and Third Party Lenders

CONTROL NO.: 5000-874719

EFFECTIVE: December 18, 2025

SUBJECT: 2nd Quarter Optional Peg Rate, Direct Interest Rate and Maximum Interest Rate of a Third Party Lender Loan for a 504 Project

The purpose of this Notice is to inform SBA employees and Lenders that the interest rate on Section 7(a) Direct Business Loans is 5.50 percent (5.50%) for the fiscal quarter beginning January 1, 2026. (Information only – no direct funds available at this time.)

The Optional Peg Rate for fluctuating interest rates on guaranty loans is 4.50 percent (4.50%) for the January – March quarter of FY 2026.

Pursuant to 13 CFR 120.921(b), the maximum legal interest rate for any Third Party Lender's commercial loan which funds any portion of the cost of a 504 project (see 13 CFR 120.801) shall continue to be 6% over the Prime rate and shall remain in effect until changed. If the aforementioned Third Party Lender's commercial loan rate of 6% over the Prime rate exceeds the maximum legal interest rate permitted by the constitution or laws of a given State, then the maximum interest rate for the Third Party Loan will be the rate permitted by the constitution or laws of the given State.

Questions
Questions concerning this Notice may be directed to Darrel Eddingfield at (202) 516-6676 or darrel.eddingfield@sba.gov.

Thomas Kimsey
Associate Administrator
Office of Capital Access

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Must be accompanied by SBA Form 58

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