SBA Procedural Notice

TO: All SBA Employees and Certified Development Companies

CONTROL NO.: 5000-869245

SUBJECT: Revisions to SOP 50 56 related to Environmental Reviews and Permanent ALP Express Authority

EFFECTIVE: September 15, 2025

The purpose of this Notice is to revise the oversight and enforcement provisions of SBA Standard Operating Procedure (SOP) 50 56 in order to 1.) incorporate SBA Procedural Notice 5000-866498 updating Environmental Policies and Procedures for 7(a) and 504 effective March 20, 2025 and 2.) the OCRM oversight and enforcement provisions in ALP Express guide which has been effective since December 18, 2024.

The ALP Express delegated authority under the Accredited Lenders Program (ALP), was made permanent by the ALP Express Pilot to Permanent Status Final Rule published December 18, 2024 (89 FR 102687). The ALP Express Guide will remain in effect until the release of the next revision of SBA SOPs 50 55 and 50 56.

The revisions to SOP 50 56 are described below. Where revisions are not included, the guidance remains as previously published in these SOPs.

1. OCRM Review of 7(a) Lender and CDC Environmental Certifications and Approvals

7(a), page 24-25

"SBA has updated 50 56 Section A Chapter 1 Subpart D.3.c to require 7(a) lenders to provide environmental clearance and approval documentation to SBA (**new text bolded for emphasis)**.

Additionally, in accordance with 13 CFR § 120.1010, a Lender must allow SBA's authorized representatives, including representatives authorized by SBA's Inspector General, during normal business hours, access to its files to review, inspect and/or copy all records and documents relating to SBA-guaranteed loans **including all environmental reports and related correspondence, as well as the Lender's review, clearance and approval documentation** as requested for SBA oversight. In keeping with Lender's responsibility to maintain complete loan

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files and to allow SBA's authorized representatives access to those files during normal business hours, SBA expects that all loan files and related records will be under the direct control of Lender (not an Agent or Lender Service Provider)."

504, page 107

SBA has updated 50 56 Section B Chapter 2 Subpart C.3. to require 504 lenders to provide environmental clearance and approval documentation (**new text bolded for emphasis)**.

"3. Additionally, in accordance with 13 CFR §120.1010, a CDC must allow SBA's authorized representatives access to its SBA files to review, inspect and/or copy all records and documents relating to SBA-guaranteed loans **including environmental reports and related correspondence, as well as the Lender's review, clearance and approval documentation** or as requested for SBA oversight. In keeping with the CDC's responsibility to maintain complete loan files and allow SBA's authorized representatives access to those files during normal business hours, SBA expects that all loan files and related records will be under the direct control of the CDC (not an Agent or professional services contractor)."

2. ALP Express

SBA has updated SOP 50 56 to incorporate the ALP Express corporate governance requirements into the SOP. The guidance is the same as in the ALP Express Pilot Guide.

SOP 50 56, Section B, Chapter 1, paragraph C.2 is revised to add ALP Express to Program reviews **as follows:**

a. Subparagraph C(2)(f) is deleted in its entirety and replaced with the following:

"f. Renewal of an ALP CDC's designation:

A CDC with ALP authority requesting renewal of its ALP designation must submit the information and documentation identified in paragraph 2.a., CDC Submission Requirements, to OCRM at CDCAnnualReports@sba.gov. The required information and documentation should be submitted at least 120 days prior to expiration of the CDC's ALP status to ensure sufficient processing time.

After receipt of the required information and documentation, OCRM will ask for comments from the Lead District Office, SBA's processing, servicing, and liquidation centers. SBA's review will address all of the requirements found at 13 CFR §§ 120.840-120.842, the items noted above, and OCRM's review of the CDC's ALP Express Loans. The D/OCRM will make the final decision."

C. SOP 50 56, Section B, Chapter 2, paragraph E.2 is revised to include ALP Express review standards:

a. Subparagraph E(2)(b) is revised as follows:

"b. Fails to follow SBA Loan Program Requirements;"

b. Subparagraph E(2)(c) is renumbered as E(2)(d).

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c. A new subparagraph E(2)(c) is inserted to read as follows:

"c. Fails to meet ALP standards, including but not limited to the deficiencies outlined below (ALP only):

i. ALP Express Loans are not properly approved, serviced, or closed pursuant to SBA Loan Program Requirements, including requirements specific to ALP Express,

ii. ALP CDC's credit underwriting fails to comply with prudent lending standards and resulted in a high Early Default Rate on its ALP Express Loans,

i. ALP CDC fails to comply with SBA Loan Program Requirements relating to adverse change; or

ii. ALP CDC attempts to process an ALP Express Loan that was previously submitted to SBA and was withdrawn by the CDC or was declined or otherwise not approved by SBA;" or

Questions

Questions concerning this Notice may be directed to the Lender Relations Specialist in the local SBA Field Office.

Thomas Kimsey
Associate Administrator
Office of Capital Access

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