Guaranteed Loan Servicing Quick Reference

ACTIONS THAT NEED SBA OR USDA CONSENT

> General information, not legal advice. Using this checklist does not create an attorney-client relationship. Program rules change often; always follow the current SBA, USDA or FSA requirements and the terms of the loan's authorization or commitment, which control over this list. Kennedy Sutherland LLP is a private law firm. It is not affiliated with or endorsed by SBA, USDA or FSA.

SBA 7(a) and 504 (13 CFR 120.536)

- ☐ Prior written SBA consent for: increasing principal above the authorized amount; actions giving the lender a preference or creating a conflict of interest; compromising principal; taking title in SBA's name or to contaminated property; transferring, selling or pledging more than 90% of a loan
- ☐ Check SOP 50 57 4 and SBA's servicing and liquidation actions matrix for each action
- ☐ Document the reasons and support for every action taken without consent

USDA OneRD (7 CFR part 5001)

- ☐ Collateral releases: USDA approval except routine working assets and sale proceeds applied as permitted (5001.505)
- ☐ Transfers and assumptions: prior written approval (5001.506)
- ☐ Lien subordination: approval first (5001.510)
- ☐ Additional loans to the borrower: notify USDA (5001.512)
- ☐ Interest rate changes: as 5001.513 permits, copies to USDA within 10 calendar days
- ☐ USDA announced a B&I pause on new applications and servicing requests beginning Nov. 20, 2026, until a 2027 portal launch; check rd.usda.gov/onerdguarantee.

FSA (7 CFR part 762)

- ☐ Partial releases without FSA concurrence only in the cases 762.142 lists
- ☐ Other releases and subordinations need FSA's written approval
- ☐ Default and status reports on the 762.141 schedule

Every action

- ☐ Does it need consent or notice?
- ☐ Who approved it, and when?
- ☐ What shows it was prudent?

Closing an SBA or USDA loan? Kennedy Sutherland LLP has closed SBA 7(a), SBA 504, USDA B&I, REAP and FSA guaranteed loans for lenders, and also offers CDC-side 504 debenture closing work and conventional loan documentation. Fixed-fee quotes are available for SBA and USDA loan closings. Initial consultations for lenders are free. Call 210.259.3885 or visit hillcountry.kslawllp.com/contact/.

Official sources

- 13 CFR 120.536, servicing actions that need SBA's prior written consent (ecfr.gov)
- SBA SOP 50 57, 7(a) Loan Servicing and Liquidation (version 4, effective Nov. 1, 2025) (sba.gov)
- 7 CFR 5001.505, collateral inspection and release (ecfr.gov)
- USDA Rural Development, OneRD Guarantee (forms 5001-1 and 5001-2, notices) (rd.usda.gov)
- 7 CFR part 762, Guaranteed Farm Loans (eCFR) (ecfr.gov)

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