



U.S. Small Business
Administration

Alignment of Form 1086 and Settlement Express

SBA Form 1086, Secondary Participation Guaranty Agreement (Form 1086), is the mandatory contractual agreement between the lender, investor (Registered Holder), SBA, and its Fiscal Transfer Agent (FTA) for the initial sale of the guaranteed portion of an SBA 7(a) loan in the secondary market. To initiate the sale process with the FTA, the Registered Holder must enter loan details from Form 1086 into the Settlement Express application within SBA's Capital Access Financial System.

Beginning on Thursday, September 12th, the Settlement Express user interface will match the order and formatting of the input fields of the now mandatory version Form 1086 (12-23), effective August 1, 2024. This industry sought enhancement will provide a logical and efficient data entry process for the Registered Holder between the 1086 and Settlement Express.

All required documents to sell the guaranteed portion of an SBA 7(a) loan must continue to be sent to SettlementExpress@sba.gov;

1. A fully executed Form 1086 (12-23)
2. A true and certified copy of the Borrower's Note, including true and certified copies of any amendments or modifications. All Notes, modifications, or amendments presented for sale must have the SBA Loan Number on the first page of each document.

The Form 1086 and the true and certified copy legend(s) must be signed electronically in compliance with SOP 50 10 7.1, Appendix 10.

Questions



For questions or concerns relating to this matter, please contact the FTA Client Service Team at fta@sba.gov or via the toll-free hotline at (877) 470-0722.

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