



Are you an investor looking to get involved in the 7(a) loan program?

What is the 7(a) Loan Program?

The 7(a) Loan Program, SBA's most common loan program, includes financial help for small businesses with special requirements. This is the best option when real estate is part of a business purchase, but it can also be used for short- and long-term working capital, refinancing current business debt, and purchasing furniture, fixtures, and supplies. As a lender, you can sell the guaranteed portion of an SBA loan, increasing your liquidity and enabling you to issue more loans.

Guidehouse as Fiscal Transfer Agent (FTA)

As the FTA, Guidehouse acts as a conduit between lenders, broker/dealers, and investors for all secondary market processes, managing over 1 billion dollars worth of transactions from thousands of lenders every month. Through more than 15 years of partnership with the SBA, Guidehouse has leveraged its unique blend of robust servicing technology, deep knowledge of government loan programs, and industry leading problem-solving capability to deliver a highly liquid, operationally efficient and vibrant marketplace for SBA 7(a) loans.

What are the Benefits of 7(a) Secondary Market Loans?

Guaranteed

SBA Guaranteed Interest Certificates and SBA Guaranteed Loan Pool Certificates carry the full faith and credit guarantee of the U.S. Government. 100% of the guaranteed portion of each loan sold into the secondary market is unconditional to the investor.

Highly Liquid

SBA adjustable-rate loans and pools are self-managing assets with characteristics that enhance marketability and liquidity, averaging over 950 certificate transfers per month.

Pledgeable

SBA loan and pool certificates are generally allowed to be pledged as collateral for Public Funds, Federal Reserve and Federal Home Loan Bank advances, and Treasury, Tax and Loan accounts.

Community Reinvestment Act (CRA) Investment

Bank loans with SBA guaranties have the potential to receive CRA consideration as either loans to small businesses or as community development loans, and the 7(a) program can help banks potentially meet their Community Reinvestment Act (CRA) objectives.

Monthly Cash Flow

Principal and interest payments are regularly scheduled. This cash flow creates the opportunity for regular reinvestment and compounding.



NEED HELP?

FTA@sba.gov

[\(877\) 470-0722](tel:(877)470-0722)

[FTA Wiki](#)

Are you already an investor in the 7(a) loan program?

What is the Capital Access Financial System (CAFS)?

The Capital Access Financial System, or [CAFS](#), is the SBA's primary system for the origination and servicing of loans. Within CAFS, you can settle your loan, view your loan history and balances through our dedicated investor portal.

CAFS Account: One stop shop for accessing data on your 7(a) portfolio

CAFS Applications: View loan-level payment history

CAFS Setup Guide: Attached [here](#) for a detailed walkthrough of creating your CAFS account

How do I settle my loans?

Broker/dealers purchasing loans from lenders through the settlements process must submit the following to SettlementExpress@sba.gov:

- [Form 1086](#) (both lender and investor must complete)
- A Certified Copy of the Borrower's Note
- Purchaser's Confirmation of Sale
 - Must submit to FTA no later than one day prior to the settlement date
- Completed [W9](#) or [W8](#) (submit if new lender/investor)

What is the timing & schedule of payments?

Payment Remittance:

Payments are wired to a bank account of your choice. Upon purchase of a 7(a) product, please provide the FTA the following:

- Account Number
- Account Name
- ABA Number
- Phone and Email Address for two Points of Contact

General Interest Certificates (GICs) and Confirmation of Originator Fees (COOFs):

Payments for GICs and COOFs (an interest only security on 7(a) loans) occur on the 15th (or next business day) every month. If the FTA receives a late payment, funds will be remitted within 1-2 business days after funds are received by the FTA.

Pooled Loans: Guaranteed to be paid on the last business day of every month

How do I transfer my loans?

To transfer loan certificates in your portfolio to another party, submit the following to the FTA:

- [SBA Form 1088](#) – Secondary Market Assignment & Disclosure
- SBA Guaranteed Interest Certificate or SBA Guaranteed Loan Pool Certificate
- Completed [W9](#) or [W8](#)
- Delivery Instructions for Mailing Physical Security
- Wiring Instructions for Payments
- Manifest (for bulk transfers only)

How do I pool loans?

Standard Pools:

- Must have a minimum of **four** loans with an aggregate principal balance of at least **\$1,000,000** for the SBA guaranteed portion of the loans outstanding at the time the pool certificate is issued
- Pool certificates must have a face amount of **\$25,000** or greater and cannot comprise more than **25%** of the pool
- The guaranteed portions must either be all fixed rate or all variable rate with the same base rate and adjustment frequency
- Must have no more than a **2%** gross rate difference
- The pool rate is equal to the lowest net rate on an individual guaranteed portion in the pool, and the longest loan in the pool establishes the maturity date

Weighted Average Coupon (WAC) Pools:

WAC Pools have similar parameters to Standard Pools, with main differences including:

- Must have a minimum of **ten** loans
- All pool certificates must be in multiples of **\$5,000**
- Minimum aggregate principal balance of guaranteed portions outstanding at the time of pool certificate issuance is **\$1,000,000**

Interested in becoming a Pool Assembler?

Functions include:

- Purchase guaranteed portion of SBA loans from lenders
- Group underlying loans in the PSU Online system, a web-based application for establishing pools
- Submit [SBA Form 1454](#), \$30 pool set up fee, and other related documents/fees to FTA
- Review SBA Factor Report

To learn more about the SBA pool assembler authorization process, contact answerdesk@sba.gov