



## **Information on SBA Secondary Market Program**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Update to Secondary Market Program.

**SUMMARY:** The purpose of this Notice is to inform the public that the Small Business Administration (SBA) is maintaining the 89.0% minimum maturity ratio for both SBA Standard Pools and Weighted-Average Coupon (WAC) Pools. The minimum maturity ratio covers the estimated cost of the timely payment guaranty for newly formed SBA 7(a) loan pools. This update will be incorporated, as needed, into the SBA Secondary Market Program Guide and all other appropriate SBA Secondary Market documents.

**DATES:** The update will apply to SBA 7(a) loan pools with an issue date on or after October 1, 2025.

**ADDRESSES:** Address comments concerning this Notice to Scott Schaefer, Secondary Market Group, Office of Financial Assistance, U.S. Small Business Administration, 409 3<sup>rd</sup> Street S.W., Washington, D.C. 20416; or email to [scott.schaefer@sba.gov](mailto:scott.schaefer@sba.gov).

**FOR FURTHER INFORMATION CONTACT:** Scott Schaefer, Secondary Market Group, Office of Financial Assistance at (202) 205-9984; or email to [scott.schaefer@sba.gov](mailto:scott.schaefer@sba.gov). If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

**SUPPLEMENTARY INFORMATION:** The Secondary Market Improvements Act of 1984, 15 U.S.C. 634(f) through (h), authorized SBA to guarantee the timely payment of principal and interest on Pool Certificates. A Pool Certificate represents a fractional undivided interest in a “Pool,” which is an aggregation of SBA guaranteed portions of loans made by SBA Lenders under section 7(a) of the Small Business Act, 15 U.S.C. 636(a). In order to support the timely payment guaranty requirement, SBA established the Master Reserve Fund (MRF), which serves as a mechanism to cover the cost of SBA’s

timely payment guaranty. Borrower payments on the guaranteed portions of pooled loans, as well as SBA guaranty payments on defaulted pooled loans, are deposited into the MRF. Funds are held in the MRF until distributions are made to investors (Registered Holders) of Pool Certificates. The interest earned on the borrower's payments and the SBA guaranty payments deposited into the MRF supports the timely payments made to Registered Holders.

From time to time, SBA provides guidance to SBA Pool Assemblers on the required loan and pool characteristics necessary to form a Pool. These characteristics include, among other things, the minimum number of guaranteed portions of loans required to form a Pool, the allowable difference between the highest and lowest gross and net note rates of the guaranteed portions of loans in a Pool, and the minimum maturity ratio of the guaranteed portions of loans in a Pool. The minimum maturity ratio is equal to the ratio of the shortest and the longest remaining term to maturity of the guaranteed portions of loans in a Pool.

Based on SBA's expectations as to the performance of future Pools, SBA Pool Assemblers must maintain the current 89.0% minimum maturity ratio. Therefore, effective October 1, 2025, all guaranteed portions of loans in Standard Pools and WAC Pools presented for settlement with SBA's Fiscal Transfer Agent will be required to have a minimum maturity ratio of at least 89.0%.

SBA will continue to monitor loan and pool characteristics and will provide notification of additional changes as necessary. It is important to note that there is no change to SBA's obligation to honor its guaranty of the amounts owed to Registered Holders of Pool Certificates and that such guaranty continues to be backed by the full faith and credit of the United States.

This program change will be incorporated as necessary into SBA's Secondary Market Guide and all other appropriate SBA Secondary Market documents. As indicated

above, this change will be effective for Standard Pools and WAC Pools with an issue date on or after October 1, 2025.

**Daniel Pische,**  
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