



## NEWS RELEASE

### PRESS OFFICE

## SBA 504 Refinance Program Made Permanent

### *Measure Designed to Help Small Businesses Grow and Create Jobs*

**WASHINGTON** -- Eligible small business owners now have more options to refinance eligible fixed assets and business expenses through the Small Business Administration (SBA) 504 Refinance Program. SBA Administrator [Maria Contreras-Sweet](#) made the program permanent through an Interim Final Rule in The Federal Register released May 26, 2016. This change will help small business owners ease their financial burdens and create incentives for potential expansion and further job creation.

In making the announcement, Contreras-Sweet said: “As both a former small business owner and a banker, I know firsthand that access to capital is the single most important factor in the survival and growth of a small business. The 504 loan program with its long term fixed-rate can help refinance debt from adjustable rate loans with significant savings to borrowers. Paying off existing loans with a new loan at a lower cost can help increase cash flow, which can be especially helpful in a resurgent economy. That’s why I’m so proud to announce this Final Rule making 504 Refi permanent.”

As outlined in the Interim Final Rule announcement, SBA will begin accepting applications from small business owners effective June 24, 2016. Also, concurrent with the announcement, a public comment period will begin for the public to make recommendations that SBA will review for further program enhancements in the future. The public comment period will end July 25, 2016.

“For some time now, we’ve been making the case for the 504 Refinance Program with lawmakers, and now small businesses will have access to \$7.5 billion under this program. Congress heard the combined voices of small business, lenders and SBA, and made the 504 Refinance Program permanent – a measure that I’m sure will prove essential in helping small business expand and strengthen the nation’s economy,” Contreras-Sweet said.

On December 18, 2015, Congress passed the Consolidated Appropriations Act of 2016, which made the 504 Debt Refinancing Program a permanent part of the 504 Loan Program. The 504 Refinance Program was originally a temporary measure under the Small Business Jobs Act of 2010. This temporary debt refinance program expired on September 27, 2012.

SBA is authorized to approve up to \$7.5 billion for the regular 504 Loan Program and \$7.5 billion in lending authority under the 504 Debt Refinancing Program, which brings the total 504 lending combined authorization to \$15 billion.

The 504 Debt Refinancing Program is authorized to operate only in fiscal years during which the subsidy costs to the government are zero.

### **About the U.S. Small Business Administration**

The [U.S. Small Business Administration](#) (SBA) was created in 1953 and since January 13, 2012, has served as a Cabinet-level agency of the federal government to aid, counsel, assist and protect the interests of small business concerns, to preserve free competitive enterprise and to maintain and strengthen the overall economy of our nation. The SBA helps Americans start, build and grow businesses. Through an extensive network of field offices and partnerships with public and private organizations, the SBA delivers its services to people throughout the United States, Puerto Rico, the U.S. Virgin Islands and Guam.