



# SBA Information Notice

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**TO:** All SBA Employees

**CONTROL NO.:** 5000-840341

**SUBJECT:** 1st Quarter "Peg" Rate, Direct Interest Rate and Maximum Interest Rate of a Third Party Lender Loan for a 504 Project

**EFFECTIVE:** September 30, 2022

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The interest rate on Section 7(a) Direct Business Loans is 4.25 percent (4.25%) for the fiscal quarter beginning October 1, 2022. (Information only – no direct funds available at this time.) The optional peg rate for fluctuating interest rates on guaranty loans is 3.25 percent (3.25%) for the October – December quarter of FY 2023.

Pursuant to 13 CFR 120.921(b), the maximum legal interest rate for any third party lender's commercial loan which funds any portion of the cost of a 504 project (see 13 CFR 120.801) shall be 6% over the New York Prime rate or, if that exceeds the maximum interest rate permitted by the constitution or laws of a given State, the maximum interest rate will be the rate permitted by the constitution or laws of the given State.

Dianna L. Seaborn  
Director  
Office of Financial Assistance