

§ 109.410

(13) Loan packagers earning more than one third of their gross annual revenue from packaging SBA loans;

(14) Businesses in which the ILP Intermediary or any of its Associates owns an equity interest;

(15) Businesses with an Associate who is incarcerated, on probation, on parole, or has been indicted for a felony or a crime of moral turpitude;

(16) Businesses which:

(i) Present live performances of a prurient sexual nature; or

(ii) Derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature;

(17) Businesses that have previously defaulted on a Federal loan or Federally assisted financing, resulting in the Federal government or any of its agencies or Departments sustaining a loss in any of its programs, and businesses owned or controlled by an applicant or any of its Associates which previously owned, operated, or controlled a business which defaulted on a Federal loan (or guaranteed a loan which was defaulted) and caused the Federal government or any of its agencies or Departments to sustain a loss in any of its programs. For purposes of this section, a compromise agreement shall also be considered a loss unless the agreement provides otherwise;

(18) Businesses primarily engaged in political or lobbying activities; and

(19) Speculative businesses (such as oil wildcatting);

(20) Businesses located in a Coastal Barrier Resource Area (as defined in the Coastal Barriers Resource Act);

(21) Businesses owned or controlled by an applicant or any of its Associates who are more than 60 days delinquent in child support under the terms of any administrative order, court order, or repayment agreement;

(22) Businesses in which any Associate is an undocumented (illegal) alien; or

(23) Businesses owned or controlled by an applicant or any of its Associates who are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any Federal department or agency.

13 CFR Ch. I (1-1-12 Edition)

§ 109.410 Loan limits—loans to Eligible Small Business Concerns.

No small business (including Affiliates) may have more than \$200,000 outstanding under this program at one time. The provisions of § 120.151 do not apply to loans under this program.

§ 109.420 Terms of loans from ILP Intermediaries to Eligible Small Business Concerns.

(a) *General.* The terms of a loan made by the ILP Intermediary to an Eligible Small Business Concern must be agreed to by the ILP Intermediary and the Eligible Small Business Concern. The loan terms must be within the limits established by SBA in these regulations.

(b) *Maximum loan size.* The maximum amount of a loan by the ILP Intermediary to an Eligible Small Business Concern under this program is \$200,000.

(c) *Maturity.* The term of a loan by the ILP Intermediary to an Eligible Small Business Concern under this program must be the shortest appropriate term. The maximum loan term is 10 years or less, unless the loan finances or refinances real estate or equipment with a useful life exceeding ten years, in which case the maximum loan term is 25 years.

(d) *Interest rate.* The maximum interest rate the ILP Intermediary may charge for loans less than or equal to \$50,000 is 8.75 percent. The maximum interest rate the ILP Intermediary may charge for loans greater than \$50,000 is 7%. SBA may adjust the maximum interest rates from time to time; SBA will publish any such change by Notice in the FEDERAL REGISTER. Changes to the maximum interest rate do not apply to loans made to Eligible Small Business Concerns prior to publication of the change in the FEDERAL REGISTER.

(e) *Fees.* The ILP Intermediary must not impose any fees or direct costs on an Eligible Small Business Concern, except for the following allowed fees or direct costs:

(1) Necessary out-of-pocket expenses, such as filing or recording fees;

(2) The reasonable direct costs of any liquidation;