§ 107.1200 SBA's Leverage commitment to a Licensee—application procedure, amount, and term.

(a) General. Under the provisions in §§107.1200 through 107.1240, you may apply for SBA's conditional commitment to reserve a specific amount and type of Leverage for your future use. You may then apply to draw down Leverage against the commitment.

(b) Applying for a Leverage commitment. SBA will notify you when it is accepting requests for Leverage commitments. Upon receipt of your request, SBA will send you a complete application package.

(c) Limitations on the amount of a Leverage commitment. The amount of a Leverage commitment must be a multiple of $5,000.

(d) Term of Leverage commitment. SBA's Leverage commitment will automatically lapse on the expiration date stated in the commitment letter issued to you by SBA.


§ 107.1182 Valuation requirements for Early Stage SBICs based on Capital Impairment Percentage.

(a) If you are an Early Stage SBIC, you must compute your Capital Impairment Percentage and determine whether you have a condition of Capital Impairment in accordance with §§107.1830 and 107.1840 of this part.

(b) You must promptly notify SBA in writing if your Capital Impairment Percentage is at least 50 percent, even if your maximum permitted Capital Impairment Percentage is higher.

(c) Upon receipt of your notification under paragraph (b) of this section, or upon making its own determination that your Capital Impairment Percentage is at least 50 percent, SBA has the right to require you to engage, at your expense, an independent third party, acceptable to SBA, to prepare valuations of some or all of your Loans and Investments, as designated by SBA.

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