



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

DATE: July 26, 2004

TO: All SBIC Licensees and Applicants

THRU: Ronald E. Bew
Associate Deputy Administrator, Office of Capital Access

FROM: Jeffrey D. Pierson
Associate Administrator for Investment

SUBJECT: Memorandum #2004-5
Further Information Concerning the Processing and Approval of Participating Security Commitment Requests

NOTE: The information herein does not apply to Debenture SBICs or non-leveraged SBICs.

On March 9, 2004 (Memorandum #2004-4), SBA notified SBIC license applicants that SBA would continue to accept new SBIC license applications and to review applications filed and accepted during FY 2004, but that SBA could not make any assurances that any such applications, particularly those received after March 9, 2004, would be approved or that a related leverage commitment would be issued before the end of FY 2004 (September 30, 2004).

SBA is issuing this Memorandum to notify SBICs and current SBIC applicants of the following additional procedures:

1. ***For all current SBIC applicants:*** In order to be considered for a leverage commitment before the end of September, (a) SBA must receive your completed leverage commitment application no later than the second business day after SBA notifies you by telephone that the Agency Licensing Committee has voted favorably on your license application; and (b) your leverage commitment application must be based upon your Regulatory Capital as set forth on your most recent Capital Certificate submitted to SBA prior to the Agency Licensing Committee meeting.
2. ***For all SBICs licensed (i) after January 1, 2004 or (ii) before January 1, 2004 that have been ineligible to apply for a leverage commitment due solely to incomplete FBI clearances:*** In order to be considered for a leverage commitment before the end of September, (a) SBA must receive your completed leverage commitment application no later than August 4, 2004; and (b) your leverage commitment application must be based upon your Regulatory Capital as set forth on your most recent Capital Certificate submitted to SBA either with or prior to your leverage commitment application.