SBA Policy Notice

TO: All SBA Employees; 7(a) Lenders and Certified Development Companies

CONTROL NO.: 5000-876441

SUBJECT: Update to SOP 50 10 8 – Citizenship and Residency Requirements and Recission of Procedural Notice 5000-872050

PUBLICATION: February 2, 2026

EFFECTIVE: March 1, 2026

The purpose of this notice is to advise SBA employees, 7(a) Lenders, and Certified Development Companies ("CDCs") that effective March 1, 2026, SBA hereby revises Standard Operating Procedure ("SOP") 50 10 8 Lender and Development Company Loan Programs guidance related to businesses owned by non-U.S. citizens. Consistent with 13 C.F.R. 120.100 and Executive Order 14159 "Protecting the American People Against Invasion," SBA is requiring that 100% of all direct and/or indirect owners of a small business applicant be U.S. Citizens or U.S. Nationals who have their Principal Residence in the United States, its territories, or possessions.

Effective March 1, 2026, this Notice rescinds SBA Procedural Notice 5000-872050, removing the narrow exception that allowed a Borrower to have up to 5% ownership held by foreign nationals, or U.S. Citizens, U.S. Nationals, or Legal Permanent Residents (LPRs) whose Principal Residents was outside of the United States, its territories, or possessions. Further, and beginning with the Effective Date of this Notice, Legal Permanent Residents (LPRs) will not be eligible to own any percentage interest in an Applicant/Borrower, OC, or EPC.

Questions

Questions concerning this Notice may be directed to the Lender Relations Specialist in the local SBA Field Office.

Kelly Loeffler
Administrator
U.S. Small Business Administration

SBA Form 1353.3 (4-93) MS Word Edition; previous editions obsolete

Must be accompanied by SBA Form 58

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