LENDER RULES · WORKED EXAMPLE

SBA 7(a) projections that pass the debt service coverage test

SBA asks a start-up for 1.15 within two years of funding. Test loan year 2, as the worked example does at 1.22.

MINIMUM COVERAGE — SOP 50 10 8.1

1.15

Start-up loans above $350,000, within 24 months of funding

7(a) Small, $350,000 or less	1.10	12 months
Change of ownership	1.25	past earnings

Sources: [1] Sec. B, Ch. 1, p. 119; Ch. 2, pp. 129 to 130; App. 15, p. 379

WRITTEN FOR
SBA 7(a) borrowers and the people who write their plans

RULES AS OF
31 October 2026

NOTE
Educational, not lending or legal advice. The lender decides.

AT A GLANCE

Test the full second loan year, count every required payment, and size the loan with its fee

PURPOSE

Show a borrower or plan writer how to build a projection that meets SBA's debt service coverage rule, and how to check it before a lender does.

MAIN MESSAGE

A start-up asking for a 7(a) loan above $350,000 must project debt service coverage of at least 1.15 within two years of funding. A loan of $350,000 or less needs 1.10 within one year.

INSIDE

1. Minimum ratio by loan type, with SOP pages
2. How to read "within 2 years"
3. The FY2027 guaranty fee and the ratio
4. A worked example, funding to month 24
5. Where projections miss, and a checklist

Sources: [1] Sec. B, Ch. 1, p. 119 and Ch. 2, pp. 129 to 130.

TERMS USED IN THIS GUIDE

Debt service coverage compares a year of operating cash flow with a year of required loan payments

SBA	U.S. Small Business Administration. It guarantees part of loans that private lenders make to small businesses.
7(a) loan	SBA's main guaranteed business loan. A **7(a) Small loan** is $350,000 or less; a **Standard 7(a) loan** is larger.
SOP 50 10 8.1	SBA's Standard Operating Procedure for 7(a) and 504 lenders, effective 1 October 2026. Page numbers here are its printed page numbers.
Guaranty fee	SBA calls it the upfront fee. SBA charges it to the lender for the guarantee; the lender may pass it to the borrower.
Standby debt	A loan whose holder signs an agreement to take no principal or interest for the life of the 7(a) loan.
EBITDA	Earnings before interest, taxes, depreciation and amortization.
Operating cash flow	SBA defines it as EBITDA, before any adjustments the lender makes.
Debt service	Required principal and interest payments on all business debt, including the new SBA loan.
Debt service coverage ratio (DSCR)	Operating cash flow divided by debt service. A ratio of 1.15 means $1.15 of cash for every $1.00 of payments due.
Loan month	Month 1 is the month the loan funds. Loan year 2 is loan months 13 to 24.

Sources: [1] Sec. B, Ch. 1, pp. 119 to 122 and Ch. 2, p. 129 (definitions); Sec. A, Ch. 4, p. 62 (fee); [2] p. 1.

WHAT A PROJECTION A LENDER ACCEPTS SHOWS

A passing projection covers every required payment by SBA's minimum, over a full year inside SBA's window

1 **Right minimum for the loan**
1.10 within one year for a 7(a) Small loan; 1.15 within two years for a larger start-up loan; 1.25 or 1.15 on past earnings for a change of ownership.

2 **A full year, measured inside the window**
Twelve months of EBITDA over twelve months of payments. For a start-up Standard loan, the twelve months ending loan month 24.

3 **Every payment counted**
New SBA loan, existing loans, shareholder loans, and any note that falls due inside the window.

4 **Loan sized with its guaranty fee**
When the fee is paid from loan proceeds, the loan grows by the fee and so do the payments.

5 **Assumptions stated, rent from the project property left out**
SBA asks for supporting assumptions and bars projected rental income from the property being financed.

Sources: [1] Sec. B, Ch. 1, pp. 119 to 120; Ch. 2, pp. 129 to 130; App. 15, p. 379; Sec. A, Ch. 4, p. 62. Example inputs are illustrative.

FORMULA

```
DSCR = operating cash flow ÷ debt service
```

Both sides cover the same twelve months.

WORKED EXAMPLE IN THIS GUIDE

A start-up borrows $511,508.95 over 10 years, guaranty fee included. In loan year 2, EBITDA of $101,000.00 covers $82,824.60 of payments:

`101,000.00 ÷ 82,824.60 =` **`1.22`** `✓ meets 1.15`

SBA does not say how to measure inside the two-year window. Testing the last full year is this guide's reading, the strictest one that still meets "within 2 years". Ask your lender which reading it uses.

HOW SBA DEFINES THE RATIO

SBA divides EBITDA by the principal and interest due on all business debt, new SBA loan included

> “Debt Service Coverage (DSC) is measured by dividing the operating cash flow (OCF) by the debt service (DS).”
>
> Sec. B, Ch. 2, p. 129

> “Operating cash flow (OCF) is defined as earnings before interest, taxes, depreciation, and amortization (EBITDA).”
>
> Sec. B, Ch. 2, p. 129

> “Debt Service (DS) is defined as the future required principal and interest payments on all business debt inclusive of new SBA loan proceeds.”
>
> Sec. B, Ch. 1, Para. C.2.a.iii, p. 120

> “it is important for a Lender to obtain a current debt schedule prepared by the Applicant, including any shareholder debt.”
>
> p. 120

ADJUSTMENTS A LENDER MAY MAKE

Lenders may add to or subtract from operating cash flow for unfunded capital expenditures, non-recurring income, expenses and distributions, distributions for S-Corp taxes, rent payments, owner’s draw, and a global cash flow analysis p. 119. Show each of these in the plan so the lender’s adjusted figure can still pass.

RENT FROM THE PROJECT PROPERTY

On projections, debt service coverage “may not include anticipated cash flow from rental income from the Project Property” p. 120.

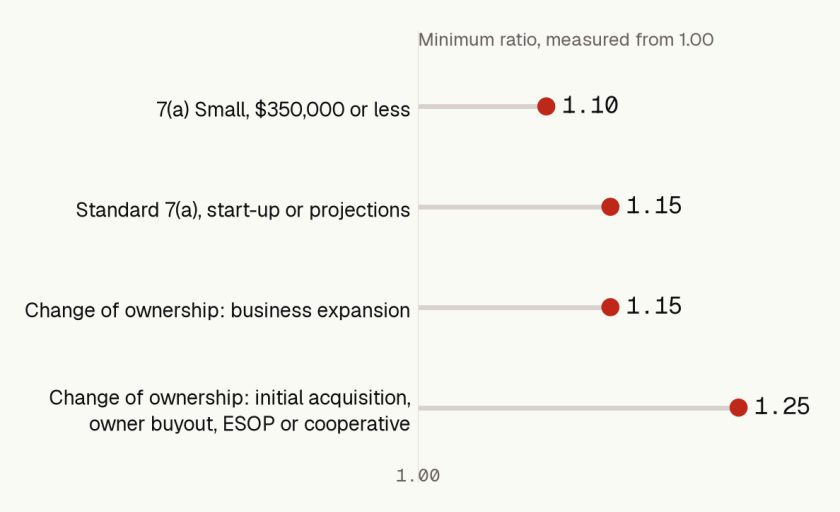
GLOBAL COVERAGE

Standard 7(a) loans also need coverage of 1:1 on a global basis p. 120. A global analysis adds the owners’ own income and debts to the business figures, so it needs personal numbers a business projection does not hold. Have them ready for the lender.

Source: [1] section and page shown beside each quote.

MINIMUM RATIO BY LOAN TYPE

SBA sets 1.10 for small loans, 1.15 for start-ups and expansions, and 1.25 for acquisitions



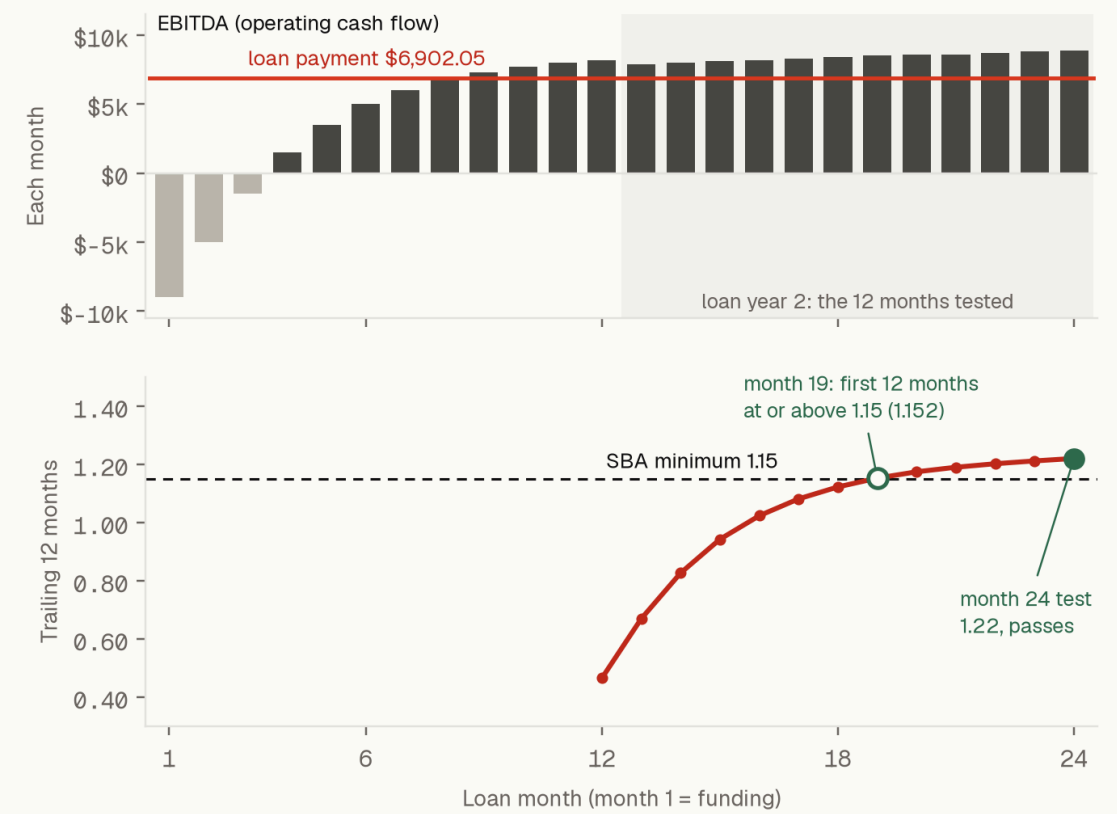
LOAN	MINIMUM	MEASURED ON	SOP 50 10 8.1
7(a) Small, $350,000 or less, not a change of ownership	1.10	Historical or projected. With projections: 12-month projections, 1.10 within one year of funding	Sec. B, Ch. 2, pp. 129 to 130
Standard 7(a), above $350,000: start-ups, new businesses, other projection-based loans	1.15	Detailed projections with supporting assumptions, 1.15 within 2 years from funding (or from end of construction)	Sec. B, Ch. 1, p. 119; App. 20, p. 418
Change of ownership: business expansion	1.15	Last fiscal year-end, or average of last two, historical or adjusted	App. 15, p. 379
Change of ownership: initial acquisition, owner buyout, ESOP or cooperative	1.25	Same as above. Historical ratio: EBITDA over combined debt service after the transaction	App. 15, pp. 379, 381

Two programs carry their own tests. A start-up MARC loan (SBA's revolving credit for manufacturers) must project 1.15 within one year of disbursement Sec. B, Ch. 3, p. 141. A CAPLines line for a new business must project positive cash flow within 2 years Sec. B, Ch. 4, p. 150. ESOP: employee stock ownership plan.

Source: [1] as shown in each row.

READING “WITHIN 2 YEARS”

Test twelve months at a time from funding; a start-up’s pass test is the twelve months ending loan month 24



Worked example, illustrative inputs. Fee financed; payment $6,902.05 a month.

What SBA says. Projections must reflect “a debt service coverage equal to or greater than 1.15 within 2 years from loan funding” p. 119. SBA does not say whether one month at 1.15 is enough. Everywhere else the SOP measures a year: fiscal year-end statements for acquisitions p. 379 and 12-month projections for small loans p. 130.

Reading used here. At each loan month, divide EBITDA over the last twelve months by the payments due in the same twelve months. Never test a single month. The pass test is the window ending month 24, the last full year inside “within 2 years”. For a 7(a) Small loan it is the window ending month 12.

Report three numbers. Loan year 2 ratio (the test), the first month the trailing year reaches the minimum, and loan year 1. In the example: 1.22, month 19 at 1.152, and 0.46.

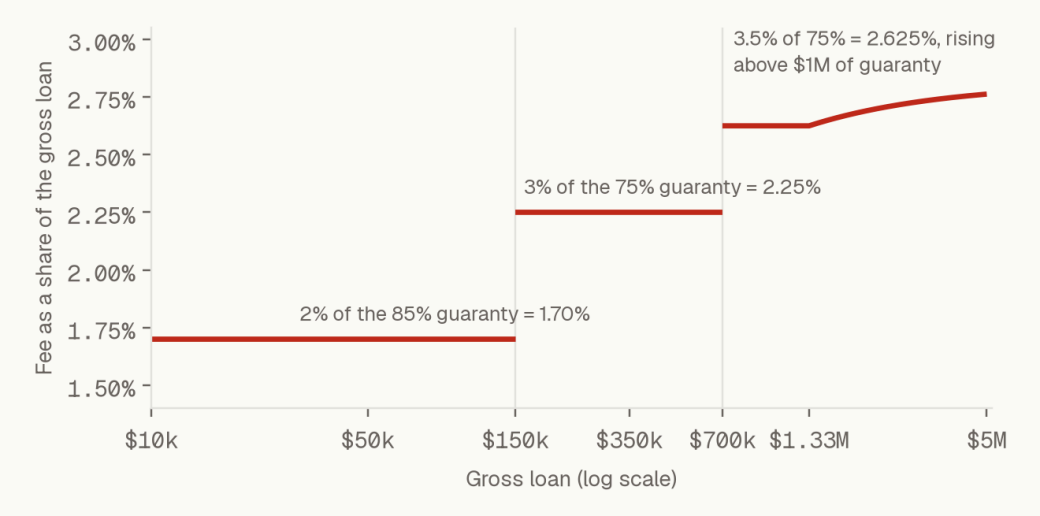
Payment holidays. Debt service is the payments actually required. Interest-only or deferred months lift year 1 and leave the full payment in year 2, inside the test.

The lender decides how to read the window. Show both the trailing view and fiscal-year ratios if your lender spreads statements by fiscal year.

Sources: [1] Sec. B, Ch. 1, pp. 119 to 120; Ch. 2, p. 130; App. 15, p. 379.

THE FY2027 GUARANTY FEE

Without a waiver, the FY2027 guaranty fee is 1.70% to about 2.76% of the loan, with steps at $150,000 and $700,000



GROSS LOAN	GUARANTEED	FEE
$150,000	85%	$2,550.00
$150,001	75%	$3,375.02
$700,000	75%	$15,750.00
$700,001	75%	$18,375.03
$5,000,000	$3.75M cap	$138,125.00

LOANS APPROVED 1 OCT 2026 TO 30 SEP 2027, MATURITY OVER 12 MONTHS	FEE ON GUARANTEED PART
$150,000 or less	2%
$150,001 to $700,000	3%
$700,001 to $5,000,000	3.5%; 3.75% above $1M
$700,000 or less to manufacturers (NAICS 31 to 33), listed food supply chain codes, or rural businesses	0%
Maturity of 12 months or less	0.25%

The tier is set by the gross loan, guaranteed and unguaranteed parts together. SBA guarantees 85% of loans of $150,000 or less and 75% above, up to $3,750,000.

The lender pays SBA and may pass the fee to the borrower. The borrower may pay it from loan proceeds, listed as a use of proceeds in SBA's Terms and Conditions; the first disbursement may not be made mainly to pay it. The lender's 0.55% annual service fee may not be passed to the borrower.

Sources: [2] pp. 1 to 2; [1] Sec. A, Ch. 4, pp. 62, 67; App. 16, p. 388. Fees computed from these rules for a loan with no fee waiver.

HOW THE FEE CHANGES THE LOAN AND THE RATIO

A financed fee raises the loan and the payments, which can push a close projection under the minimum

FINANCED: LOAN = NEED + FEE

The fee depends on the loan, and the loan includes the fee, so solve it by repeating the sum until the loan stops changing.

Project need from the loan	$500,000.00
Guaranteed part, 75%	$383,631.71
Fee, 3% of guaranteed part	$11,508.95
Gross loan	**$511,508.95**

SAME CASH FLOW, TWO LOANS

Ten years at 10.50% (example rate). Loan year 2 EBITDA of $94,500:

FEE	PAYMENTS, YEAR 2	DSCR
Paid in cash at closing	$80,961.00	1.167
Financed	$82,824.60	1.141

The financed fee alone moves this plan from passing to failing 1.15. Fixes: pay the fee in cash, add owner cash so the loan shrinks, or show more year-2 cash flow you can support.

WATCH THE TIER BREAKS

A need of $147,500 with the fee financed solves to a loan of $150,895.14 and a fee of $3,395.14, because the loan crosses $150,000 into the 3% tier with a 75% guarantee.

Paying $50 of the fee in cash keeps the loan at $150,000, where the fee is $2,550.00. That $50 saves $845.14 of fee.

Re-check the tier whenever the fee is financed: at $150,000, $700,000, and at a gross loan near $1,333,333, where the guaranteed part passes $1,000,000.

Sources: [2] pp. 1 to 2; [1] Sec. A, Ch. 4, p. 62; App. 16, p. 388. Example figures are illustrative, computed from those rules.

CONVERTIBLE NOTES AND STANDBY DEBT

A convertible note counts by what it requires you to pay; only debt on full standby counts as equity

NOTE TERMS	IN DEBT SERVICE?	WHY
Cash interest due during the period	**Yes**	Debt service is the “required principal and interest payments on all business debt” p. 120
Interest that accrues and is paid only at maturity or conversion	**Not while it only accrues**	Nothing is required in those months; the payoff counts when it falls due
Maturity repayment, principal plus accrued interest, inside the test window	**Yes, in that period**	It is a required payment. A note due in loan month 20 lowers the month-24 test
Note on full standby: no principal or interest for the term of the 7(a) loan	**No**	Treated as equity; it may accrue interest and be repaid after the 7(a) loan is paid in full p. 122

> “only debt that is on full standby (no payments of principal or interest for the term of the 7(a) loan) may be considered as equity for SBA’s purposes. Lender must use SBA Form 155 or its own equivalent Standby Agreement form”
>
> Sec. B, Ch. 1, p. 122

Operating cash flow is EBITDA, so note interest never lowers the top of the ratio; it enters only as a required payment.

Model repayment at maturity unless the note is on standby or converts at closing, and show the conversion case beside it.

Ask the lender about the holder. When SBA decides a business’s affiliates and size, it treats convertible securities “as though the rights granted have been exercised” Sec. A, Ch. 1, p. 17. The SOP does not say whether a note holder counts as an owner for the citizenship rule on slide 17.

Source: [1] pages shown. The SOP never names convertible notes in its debt service rules; this slide applies its definition of debt service to them.

WORKED EXAMPLE, PART 1: INPUTS

A start-up with $560,000 of project costs puts in $60,000 and borrows the rest, guaranty fee included

USES	AMOUNT
Project costs to open	$560,000.00
SBA guaranty fee, financed	$11,508.95
Total uses	**$571,508.95**

SOURCES	AMOUNT
Owner cash	$60,000.00
SBA 7(a) loan	$511,508.95
Total sources	**$571,508.95**

SBA asks a start-up for an equity injection of at least 10% of total project costs Sec. B, Ch. 1, pp. 121 to 122. $60,000 is 10.7% of $560,000.

SBA 7(a) loan, fee included	$511,508.95
Rate and term (examples; your lender sets them)	10.50%, 120 months
Monthly payment, first due in loan month 1	$6,902.05

No fee waiver: the business is not a manufacturer, not in the food supply chain list and not rural.

MONTHLY EBITDA, OPENING IN THE MONTH THE LOAN FUNDS

LOAN MONTH	1	2	3	4	5	6	7	8	9	10	11	12
Year 1	-9,000	-5,000	-1,500	1,500	3,500	5,000	6,000	6,800	7,300	7,700	8,000	8,200
LOAN MONTH	13	14	15	16	17	18	19	20	21	22	23	24
Year 2	7,900	8,000	8,100	8,200	8,300	8,400	8,500	8,600	8,600	8,700	8,800	8,900

Year 1 EBITDA totals $38,500; year 2 totals $101,000.

Illustrative example: every input is made up to show the method. Rules: [1] Sec. B, Ch. 1, pp. 119 to 122; [2] pp. 1 to 2.

WORKED EXAMPLE, PART 2: THE RECORD A LENDER CAN CHECK

Loan year 2 coverage is 1.22, so the example passes SBA's 1.15 start-up test

CALCULATION RECORD	EXAMPLE
Check	Debt service coverage, loan year 2
Rule	SOP 50 10 8.1, Sec. B, Ch. 1, p. 119: start-ups reach 1.15 within 2 years of funding
Loan	$511,508.95 at 10.50% for 120 months, fee financed
Window	Loan months 13 to 24
Debt service	12 × $6,902.05 = $82,824.60
EBITDA	$101,000.00
Formula	DSCR = operating cash flow ÷ debt service

101,000.00 ÷ 82,824.60

1.22

✓ Meets 1.15

OTHER READINGS OF THE SAME PLAN	RATIO
Loan year 1, months 1 to 12: 38,500 ÷ 82,824.60	0.46
First twelve months at or above 1.15: months 8 to 19, 95,400 ÷ 82,824.60	1.152
Loan year 2 with the fee paid in cash: 101,000 ÷ 80,961.00	1.25

Year 1 does not fail this loan. The Standard 7(a) start-up test looks within two years, so a slow first year is allowed.

A 7(a) Small loan would need more from year 1. A loan of $350,000 or less needs 1.10 within one year of funding, measured on 12-month projections. A ramp like this one, at 0.46 in year 1, would fail that test.

Keep the record. With inputs, rule, window, formula and result in one place, a lender can recompute the figure with a calculator.

Illustrative example. Rules: [1] Sec. B, Ch. 1, p. 119; Ch. 2, p. 130. Figures computed with the formulas shown.

WHERE PROJECTIONS MISS SBA'S TEST, PART 1: WHAT GETS MEASURED

Measure the right minimum over a full year, model payment holidays as they fall, and write down every assumption

MISS	WHAT SBA'S TEXT SAYS	FIX
Wrong minimum for the loan	1.10 within one year for 7(a) Small; 1.15 within 2 years for Standard start-ups; 1.25 or 1.15 on historical earnings for changes of ownership pp. 119, 129 to 130, 379	Pick the rule from loan size and purpose before building the projection. A financed fee can move a loan over $350,000 and into the Standard rules.
One strong month taken as a pass	The SOP measures coverage over a year: 12-month projections, fiscal year-end statements pp. 130, 379	Report trailing twelve-month ratios and pass on the window ending month 24 (month 12 for a Small loan).
Payment holiday hides the real payment	Debt service is the "future required principal and interest payments" p. 120	Enter interest-only or deferred months exactly as the note sets them; check that year 2 carries the full payment.
Numbers without assumptions	"include detailed projections, including the supporting assumptions" p. 119; "12-month projections, including supporting assumptions" p. 130	Write the basis for each revenue and cost line: price, volume, ramp, wages, rent.

Source: [1] pages shown. Each miss is a gap between a projection and SBA's text; SBA publishes no count of how often each one occurs.

WHERE PROJECTIONS MISS SBA'S TEST, PART 2: WHAT GETS COUNTED

Count every debt and the financed fee in the payments, and keep project rent and the lender's deductions in view

MISS	WHAT SBA'S TEXT SAYS	FIX
Debts left out	Debt service covers "all business debt inclusive of new SBA loan proceeds"; lenders need a debt schedule "including any shareholder debt" p. 120	List every business debt, shareholder loans included, with its payment dates.
Loan sized without its fee	The borrower may pay the fee from loan proceeds p. 62; the fee rate follows the gross loan fee notice, p. 1	Solve loan = need + fee and re-check the tier, or pay the fee in cash at closing.
Note due inside the window	Required payments count; only debt on full standby counts as equity p. 122	Extend the maturity past the window, or ask the holder to sign a standby agreement (SBA Form 155 or the lender's own).
Rent from the financed property counted	Coverage "may not include anticipated cash flow from rental income from the Project Property" p. 120	Take that rent out of projected cash flow before testing.
Owner's draw and distributions missing	Lenders may adjust operating cash flow for owner's draw, distributions, S-Corp tax distributions, unfunded capital expenditures and non-recurring income p. 119	Show each as its own line so the ratio still passes after the lender's adjustments.

Sources: [1] pages shown; [2] p. 1.

ONE-PAGE CHECKLIST

Check these before the projection goes to a lender

BEFORE YOU BUILD

- [ ] Loan size and purpose known; minimum picked: 1.10, 1.15 or 1.25
- [ ] Approval expected between 1 Oct 2026 and 30 Sep 2027, so FY2027 fees apply
- [ ] NAICS code and rural status checked for the 0% fee on loans of $700,000 or less
- [ ] Every direct and indirect owner a U.S. citizen or national living in the U.S.
- [ ] Owner cash at least 10% of total project costs for a start-up

WHILE YOU BUILD

- [ ] Monthly figures from the funding month for at least 24 months
- [ ] Operating cash flow taken as EBITDA, without rent from the project property
- [ ] Debt schedule with every loan, note and shareholder loan, and its payment dates
- [ ] Guaranty fee financed or paid in cash; loan sized to match
- [ ] Owner's draw, distributions and capital spending shown as lines
- [ ] Assumption written for each revenue and cost line

WHEN YOU TEST

- [ ] Trailing twelve-month ratio at loan month 24 (month 12 for a Small loan) at or above the minimum
- [ ] First month the trailing year reaches the minimum noted
- [ ] Loan year 1 and fiscal-year ratios shown beside the test
- [ ] Notes falling due inside the window counted, or on full standby
- [ ] Owners' personal income and debts ready for the 1:1 global test
- [ ] Lender asked how it reads "within 2 years"

Sources: [1] Sec. A, Ch. 1, p. 28; Sec. A, Ch. 4, p. 62; Sec. B, Ch. 1, pp. 119 to 122; Ch. 2, pp. 129 to 130; [2] pp. 1 to 2.

WHAT CHANGED IN SOP 50 10 8.1, AND WHEN

SOP 50 10 8.1 applies to applications given an SBA loan number on or after 1 October 2026

1 Jun 2025
SOP 50 10 8 takes effect. It already asked start-up projections for 1.15 within 2 years.

1 Mar 2026
Policy Notice 5000-876441 takes effect: every owner must be a U.S. citizen or national living in the U.S. (published 2 Feb 2026).

14 Aug 2026
Information Notice 5000-880695 announces SOP 50 10 8.1.

3 Sep 2026
Information Notice 5000-881797 publishes the FY2027 7(a) fees.

25 Sep 2026
SOP 50 10 8.1 published.

1 Oct 2026
SOP 50 10 8.1 and the FY2027 fees take effect. Applications submitted through 30 Sep 2026 stay under SOP 50 10 8.

WHAT CHANGED FOR PROJECTIONS

Changes of ownership moved to Appendix 15, with their own coverage tests on historical or adjusted earnings: 1.25 for an initial acquisition, owner buyout, ESOP or cooperative, 1.15 for a business expansion p. 379. The start-up sentence on p. 119 no longer lists changes of ownership.

The start-up test did not change. 1.15 within 2 years from funding stood in SOP 50 10 8 and stands in 8.1.

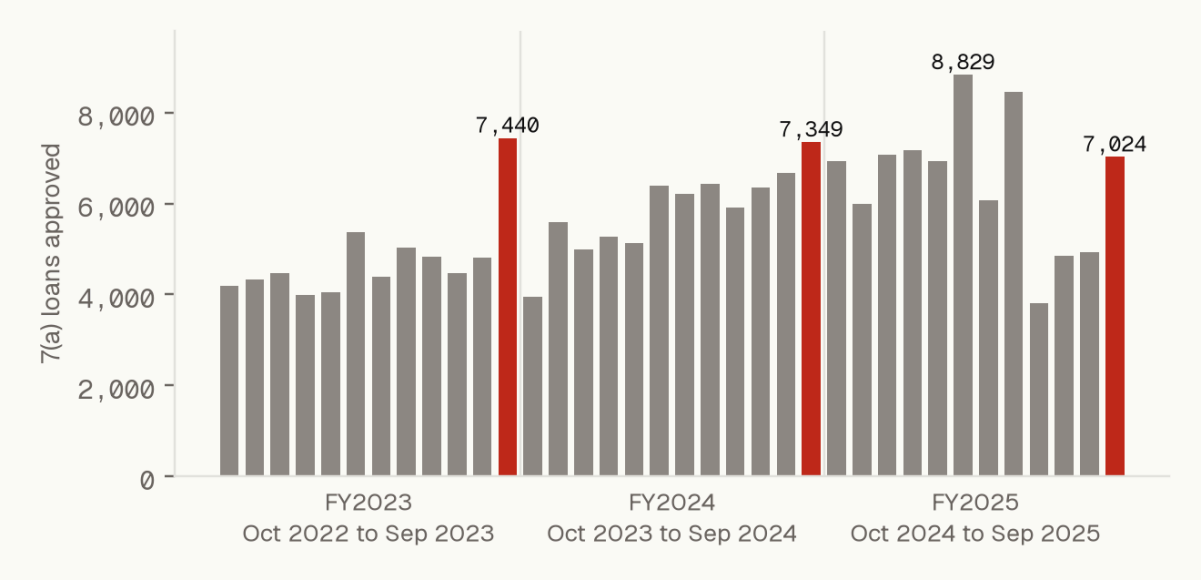
Nine notices issued after SOP 50 10 8 are now part of the SOP, the citizenship and residency rule among them.

Fee year follows the approval date. The FY2027 fees apply to loans approved from 1 October 2026 through 30 September 2027; a loan approved on 30 September 2026 does not use them.

Sources: [3] pp. 1 to 2; [1] cover, p. 119, App. 15, p. 379; [4] Standard 7(a) credit analysis; [5]; [2] p. 1.

7(A) APPROVALS BY MONTH

SBA approved 78,078 7(a) loans in FY2025, the most of any fiscal year from FY2015 to FY2025



7(a) loans approved each month. Septembers in red. SBA data as of 30 September 2025.

FISCAL YEAR	APPROVED	BUSIEST MONTH
FY2023	57,362	Sep 2023: 7,440
FY2024	70,242	Sep 2024: 7,349
FY2025	78,078	Mar 2025: 8,829

SBA's fiscal year runs October to September. September, its last month, was the busiest month of FY2023 and FY2024. The quietest month of FY2025 was June 2025, with 3,813 approvals.

Why timing matters to a projection. The fee table follows the approval date and the SOP version follows the date SBA issues the loan number. A loan approved from 1 October 2026 carries FY2027 fees, and an application numbered from that date falls under SOP 50 10 8.1, so size the loan and payments on those.

FY2015 to FY2025 approvals: 63,461; 64,074; 62,430; 60,354; 51,907; 42,298; 51,856; 47,678; 57,362; 70,242; 78,078.

Sources: [6] monthly and yearly sheets; [2] p. 1; [3] p. 1.

WHO CAN BORROW, AND WHERE E-2 PLANS DIFFER

Since 1 March 2026 every owner of a 7(a) borrower must be a U.S. citizen or national living in the U.S.

7(A) OWNERSHIP RULE

> "SBA financing is limited to business Applicants with 100% direct and/or indirect owners and SBA-required guarantors, all of whom must be U.S. Citizens or U.S. Nationals who have their Principal Residence in the United States"
>
> SOP 50 10 8.1, Sec. A, Ch. 1, Para. F, p. 28

Lawful permanent residents may not own any share, and the earlier exception for up to 5% foreign ownership is gone Policy Notice 5000-876441. SBA's list of ineligible persons includes "a visa holder" App. 3, p. 302.

The Government Accountability Office (GAO) concluded on 1 July 2026 that the notices behind this rule are a rule under the Congressional Review Act that SBA did not submit to Congress. A Senate resolution to disapprove them, S.J. Res. 202, was introduced on 23 July 2026 and referred to committee. Check its status before you plan around either outcome.

E-2 PLANS ANSWER A DIFFERENT QUESTION

An E-2 visa lets an investor from a treaty country enter the U.S. to run a business they have invested in. Because an E-2 investor is a visa holder, a business they own cannot use a 7(a) loan under the current rule.

Consulates do not test debt service coverage. They test whether the business is **marginal**: one that cannot earn more than a minimal living for the investor's family. Its projected capacity "should generally be realizable within five years" 9 FAM 402.9-6(E).

CONSULATE	ASKS A NEW BUSINESS FOR
Mexico	A five-year profit and loss forecast with assumptions, prepared by a CPA
United Kingdom	A business plan and a five-year profit and loss forecast with assumptions
France	A five-year plan showing profit within five years, for businesses 2 years old or less
Amsterdam	A concise plan with a 5-year profit and loss projection backed by outside sources

Sources: [1] pp. 28, 302; [5]; [7]; [8]; [9] 402.9-6(E); [10]; [11]; [12]; [13].

NEXT STEP

Run your own projection through the same test before you send it

1 **Pick the rule**
Loan size and purpose decide 1.10, 1.15 or 1.25, and the window.

2 **Size the loan**
Need plus guaranty fee if financed; check the $150,000 and $700,000 breaks.

3 **Build 24 months**
Monthly EBITDA from the funding month and every required payment.

4 **Test and record**
Trailing twelve months at month 24 (or 12), with inputs, rule, formula and result in one record, as on slide 11.

FREE DSCR CALCULATOR, COMING SOON

A free debt service coverage calculator that applies the rules in this guide is planned for **bvrnrate.com**. It is not live yet.

FOR PLAN WRITERS

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Rules summarized from [1] and [2].

SOURCES

Every rule and figure in this guide comes from these official texts

[1] U.S. Small Business Administration. SOP 50 10 8.1, Lender and Development Company Loan Programs (Version 8.1 with Technical Updates). Page numbers in this guide are the page numbers printed in its footers. Published 25 Sep 2026; effective 1 Oct 2026. legacy.sba.gov

[2] U.S. Small Business Administration. Information Notice 5000-881797: 7(a) Fees Effective October 1, 2026 for Fiscal Year 2027 and 90-Day Rule Clarification. Published 3 Sep 2026; effective 1 Oct 2026. legacy.sba.gov

[3] U.S. Small Business Administration. Information Notice 5000-880695: Issuance of SOP 50 10 8.1. Published 14 Aug 2026. legacy.sba.gov

[4] U.S. Small Business Administration. SOP 50 10 8, Lender and Development Company Loan Programs (Version 8 with Technical Updates). Effective 1 Jun 2025. legacy.sba.gov

[5] U.S. Small Business Administration. Policy Notice 5000-876441: Update to SOP 50 10 8, Citizenship and Residency Requirements and Recission of Procedural Notice 5000-872050. Published 2 Feb 2026; effective 1 Mar 2026. legacy.sba.gov

[6] U.S. Small Business Administration. Monthly and yearly activity, 7(a) and 504, 1991 to present (data as of 30 Sep 2025). Read 30 Oct 2026. (data workbook) data.sba.gov

[7] U.S. Government Accountability Office. B-338157: U.S. Small Business Administration, Applicability of the Congressional Review Act to Policy and Procedural Notices Updating Citizenship and Residency Requirements for 7(a) and 504 Loans. 1 Jul 2026. (decision) gao.gov

[8] U.S. Senate. S.J. Res. 202, providing for congressional disapproval of the SBA citizenship and residency notices; introduced and referred to the Committee on Small Business and Entrepreneurship. 23 Jul 2026. govinfo.gov

[9] U.S. Department of State. 9 FAM 402.9, Treaty Traders, Investors, and Specialty Occupations: E Visas (CT:VISA-2190). 17 Feb 2026. fam.state.gov

[10] U.S. Embassy and Consulates in Mexico. E-2 Visa Instructions. n.d. mx.usembassy.gov

[11] U.S. Embassy and Consulates in the United Kingdom. Treaty Trader or Treaty Investor: Treaty Investor Visa (E-2). n.d. uk.usembassy.gov

[12] U.S. Embassy and Consulates in France. Required Format for E-2 Visa Applications. n.d. fr.usembassy.gov

[13] U.S. Consulate General Amsterdam. E-2 Visa Application Instructions (PDF). n.d. nl.usembassy.gov

SBA texts were read in full on sba.gov on 30 October 2026; the State Department and consulate pages were read the same day. Rules change: check the current SOP and notices at sba.gov before relying on a figure here. n.d.: no date on the page.