

Small Business Administration

§ 120.220

(f) *Amortization.* Initial amortization of principal and interest may be recomputed and reassessed as interest rates fluctuate, as directed by SBA. With prior approval of SBA, the Lender may use certain other amortization methods, except that SBA does not allow balloon payments.

be one percent more than the maximum interest rate described above. For a loan of \$25,000 or less, the maximum interest rate described above may be increased by two percentage points.

[61 FR 3235, Jan. 31, 1996; 61 FR 7986, Mar. 1, 1996]

**§ 120.215 What interest rates apply to smaller loans?**

For a loan over \$25,000 but not exceeding \$50,000, the interest rate may

FEEES FOR GUARANTEED LOANS

**§ 120.220 Fees that Lender pays SBA.**

(a) The Lender pays a guarantee fee to SBA for each loan as follows: