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Small businesses in the United States will gain improved access to two major government-guaranteed loan programs once a final rule to that effect issued by the [U.S. Small Business Administration](#) becomes effective April 21, 2014.

The SBA recently published a Final Rule on the Federal Register that eliminates or revises several requirements for its two main loan programs, 7(a) and 504. The rule expands eligibility, makes it easier for small businesses to secure SBA-backed financing, and encourages job creation.

“These 504 and 7(a) program enhancements will expand program eligibility and improve access to capital for small businesses. Improvements in CDC corporate governance oversight enhance program integrity and encourages more local involvement,” said Ann Marie Mehlum, SBA Associate Administrator for the Office of Capital Access.

The changes include, but are not limited to:

- Elimination of the personal resource test which benefits borrowers by adding flexibility in the management of their allocation of personal resources to the small business;
- Elimination of the nine-month rule for 504 eligible project expenses which allows businesses a longer timeframe in which to organize and initiate their small business project;
- Revised 504 loan program collateral requirements to allow Third Party Lender to take collateral in addition to Project collateral under certain conditions; and

- Enhanced CDC corporate governance requirements to ensure more board

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