



Franchise Webcast: Will Your Franchise Qualify for SBA Financing Under the New Rules?

December 16, 2016

Webinar

Hosted via live webcast

[Click here to view the recorded presentation](#)

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Supplemental Materials:

[Addendum to Franchise Agreement](#)

[SBA Information Notice: Revised SOP - November 22, 2016](#)

[SBA Notice: Franchise Agreement Reviews, Affiliation, and Eligibility for Financial Assistance - December 8, 2014](#)

[IFA Response to SBA Request for Comment - April 4, 2015](#)

As of January 1, 2017, **franchise agreements will no longer be reviewed by the U.S. Small Business Administration** to determine whether franchisees are "affiliated" with their franchisors. Rather than make annual submissions of franchise agreements and of frequently-changing SBA addenda, franchisors seeking SBA financing will be required to execute a four-part addendum with their franchisees. When that addendum is included in documentation submitted to a lender seeking an SBA guaranty, the franchise will be deemed to have satisfied SBA's affiliation standards.

This is the most significant change in the SBA franchise financing process in decades! A copy of the new addendum may be found [here](#).

The first text of the new SBA addendum was made public on December 2. It does not appear to allow for franchisors to develop individual variations of the addendum or to obtain approval of modifications. Although master franchises are excluded from all SBA financing, virtually all other relationships that satisfy the definition of "franchise" in the FTC Franchise Rule and the Petroleum Marketing Practices Act can meet the



affiliation standard by executing the new addendum.

Our webinar panel includes Edith Wiseman, President of FranDATA, the company that has operated the SBA Franchise Registry for more than two decades, and Gray Plant Mooty attorney Carl Zwisler, chair of IFA's SBA Franchise Registry Task Force since 2013. The panelists will discuss the benefits and detriments of the new approach and possible issues they will cause for some franchisors.

The 30-minute webinar will begin at 2:00 p.m. (EST)/1:00 p.m. (CST)/12:00 p.m. (MST)/11:00 a.m. (PST).