



U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, D.C. 20416

August 5, 2009

Mr. Charles McMillan  
President  
National Association of Realtors  
500 New Jersey Avenue, NW  
Washington, DC 20001-2020

Dear Mr. McMillan:

Administrator Mills has asked me to respond to your recent letter regarding the eligibility of real estate agents for financial assistance from the U.S. Small Business Administration (SBA).

If the applicant business is a real estate agent who is licensed to negotiate/arrange real estate sales and works for a real estate broker, that business is eligible for SBA guaranteed financial assistance. We assume that the duties involved with negotiating and arranging include showing property, listing property, filling in contracts, listing agreements, and purchase contracts. Also, we assume that real estate agents generally are licensed to operate under the supervision of a real estate broker.

Real estate brokers are also eligible if broker is defined as a person who arranges the purchase or sale of property for a buyer or seller in return for a commission. We assume brokers can help arrange for the financing of the purchase through contacts with banks, savings and loans, and mortgage bankers as well as be required to be licensed by a state to buy or sell real estate. Finally, the loan proceeds of any SBA guaranty loan request for both real estate agents and brokers may not be used to acquire real property which will be held as an investment.

To assist small businesses during this economic downturn, the American Recovery and Reinvestment Act (ARRA) authorizes SBA to temporarily reduce or eliminate loan fees for borrowers in the 7(a) Guaranty Loan Program, and raises the loan guarantee from the current levels to 90 percent. Under this program, private sector lenders such as banks and other financial institutions make the loans with an SBA guaranty. For more information on eligibility for SBA financial assistance, your members may contact the SBA field office that serves their area by accessing our Internet Homepage at <http://www.sba.gov>.

We appreciate your interest in the SBA and its financial assistance programs.

Sincerely,

Grady B. Hedgespeth *for*  
Director  
Office of Financial Assistance