

# LIBOR Discontinued as Reference Rate for SBIC Interim Debentures

SEPTEMBER 2, 2021

The U.S. Small Business Administration (the “SBA”) has announced that it will discontinue using the London Inter-Bank Offered Rate (“LIBOR”) as the basis for the interim-funding interest rates charged to Small Business Investment Companies (“SBICs”) on interim debentures. Beginning September 8, 2021, the Federal Home Loan Bank of Chicago Fixed Regular Advance Rate (“Bank Advance Rate”) will be the basis for interim interest rates charted to SBICs on interim debentures.

The interim interest rate will be equal to the Bank Advance Rate plus 0.41% and will be determined on the settlement date based on the two Bank Advance Rates quoted that are closest in term to the period until scheduled pooling.

Current Bank Advanced Rates can be found [here](#).

If you have questions regarding interim debentures, or the SBIC program in general, please contact your SBIC counsel at Winston & Strawn LLP.

1 Min Read

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Alan Roth



Kate L. Price



Michael A. Domanico