

Electronic Execution and Submission of SBIC Leverage Draw Applications

SEPTEMBER 2, 2021

The U.S. Small Business Administration (the “SBA”) has released a new version of its instructions to permit a Small Business Investment Company (“SBIC”) to request a draw against its leverage commitment. Effective September 1, 2021 (the “Effective Date”), these updated instructions require that all draw requests be signed and submitted to the SBA electronically.

These new instructions require that SBA debenture forms be executed using an electronic signature such as Adobe certificate-based digital signature or DocuSign. All other signatures in the draw application may be hand-executed or electronically executed. The draw application should be submitted in PDF format via email.

As part of the SBA’s COVID-19 response, SBICs have been permitted to submit draw applications in PDF format via email since March 2020; however, this change was originally intended to be temporary, and SBICs were required to maintain hard copies of any draw application submitted electronically. SBICs must continue to maintain hard copies of draw applications submitted before August 18, 2021 but will not be required to do so going forward. The SBA has stressed that, as of the Effective Date, hard copy or hand-executed debenture forms will no longer be accepted.

The updated draw application instructions can be found [here](#). All draw applications will also be required to utilize the new SBA Form 444C. For more information on this form, please see our client alert found [here](#).

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

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