

CLIENT ALERT

## Interest Rates Fall for SBICs: September 2025 Standard Debenture Pooling

SEPTEMBER 22, 2025

The September 2025 pooling of Small Business Investment Company (SBIC) standard debentures was priced at 4.532%. This most recent semiannual pricing of SBIC standard debentures reflected a decrease from the rate set in March 2025 of 4.963%. This is the third consecutive semiannual pricing below 5.0% and is the second-lowest pricing since 2022.

The SBIC standard debenture rate is set based on a market-driven premium to 10-Year Treasury Notes. SBICs that drew down standard debentures between the March 2025 and September 2025 poolings locked in the 4.532% interest rate for the 10-year term of the debentures.

Standard debenture interest payments are due semiannually, and a balloon payment of the entire principal amount of the debentures is due on the tenth anniversary of the pooling. The SBIC program also imposes an annual fee on the standard debentures, which is currently set at 0.3465%. A new rate for the annual fee will be set after September 30, 2025. SBIC standard debentures may be prepaid in whole or in part at any time, without premium or penalty.

This pricing is limited to those SBICs that drew down standard debentures. Accrual debentures drawn down by SBICs during the period will be pooled and marketed separately from standard debentures, and therefore may be priced differently.

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

1 Min Read

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