

§ 927.236 Fresh pear assessment rate.

On and after July 1, 2024, the following base rates of assessment for fresh pears are established for the Fresh Pear Committee:

(a) \$0.516 per 44-pound net weight standard box or container equivalent for any or all varieties or subvarieties of fresh pears classified as “summer/fall”;

(b) \$0.516 per 44-pound net weight standard box or container equivalent for any or all varieties or subvarieties of fresh pears classified as “winter”;

* * * * *

Erin Morris,

Associate Administrator, Agricultural Marketing Service.

[FR Doc. 2024-24773 Filed 10-23-24; 8:45 am]

BILLING CODE P

SMALL BUSINESS ADMINISTRATION
13 CFR Part 120

RIN 3245-AI21

ALP Express Pilot to Permanent Status

AGENCY: U.S. Small Business Administration.

ACTION: Notice of proposed rulemaking.

SUMMARY: The U.S. Small Business Administration (“SBA” or Agency) is proposing to make permanent the increased delegated authorities made available under the ALP Express Pilot for Certified Development Companies (“CDCs”) approved for the Accredited Lenders Program (“ALP”). These increased delegated authorities for 504 loans of \$500,000 or less (“ALP Express authority”) were authorized under the Economic Aid to Hard-hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act or EAA). When these increased delegated authorities expired on September 30, 2023, SBA implemented the ALP Express Pilot in October 2023 to allow SBA to further evaluate the improved customer service levels for SBA Borrowers and the use of these increased delegated authorities by ALP CDCs. The ALP Express Pilot expires on September 30, 2025. SBA is proposing rules to make the pilot permanent and is seeking public comment to help the Agency identify which parts of the pilot have been successful and which may need further modification. SBA notified Congress of the pilot prior to OMB approval and notified Congress of the intent to convert the pilot to become a permanent part of the 504 Loan Program in September 2024.

DATES: SBA must receive comments on this proposed rule on or before November 25, 2024.

ADDRESSES: You may submit comments, identified by SBA docket number Docket No. SBA-2023-0012, by any of the following methods:

- *Federal eRulemaking Portal:* <https://www.regulations.gov/>. Follow the instructions for submitting comments.

- *Mail:* Gregorius Suryadi, Office of Financial Assistance, U.S. Small Business Administration, 409 Third Street SW, Suite 8300, Washington, DC 20416.

- *Hand Delivery/Courier:* Gregorius Suryadi, Office of Financial Assistance, U.S. Small Business Administration, 409 Third Street SW, Washington, DC 20416.

SBA will post all comments on <https://www.regulations.gov/>.

If you wish to submit confidential business information (“CBI”) as defined in the User Notice at <https://www.regulations.gov/>, please submit the information to Gregorius Suryadi, Office of Financial Assistance, U.S. Small Business Administration, 409 Third Street SW, Suite 8300, Washington, DC 20416; or send an email to gregorius.suryadi@sba.gov. Highlight the information that you consider to be CBI and explain why you believe SBA should hold this information as confidential. SBA will review the information and make the final determination as to whether it will publish the information.

FOR FURTHER INFORMATION CONTACT: Gregorius Suryadi, Office of Financial Assistance, U.S. Small Business Administration at (202) 205-6806 or gregorius.suryadi@sba.gov. The phone number above may also be reached by individuals who are deaf or hard of hearing, or who have speech disabilities, through the Federal Communications Commission’s TTY-Based Telecommunications Relay Service teletype service at 711.

SUPPLEMENTARY INFORMATION:

1. Background Information

The 504 Loan Program is an SBA financing program authorized under title V of the Small Business Investment Act of 1958, as amended, 15 U.S.C. 695 et seq (“Small Business Investment Act”). The core mission of the 504 Loan Program is to provide long-term financing to small businesses for the purchase or improvement of land, buildings, and major equipment, and to facilitate the creation or retention of jobs and local economic development. Under the 504 Loan Program, loans are made

to small business applicants by Certified Development Companies (“CDCs”), which are certified and regulated by SBA to promote economic development within their community. In general, a project in the 504 Loan Program (a “504 Project”) includes: a loan obtained from a private sector lender with a senior lien covering at least 50 percent of the project cost; a loan obtained from a CDC (a “504 Loan”) with a junior lien covering up to 40 percent of the total cost (backed by a 100 percent SBA guaranteed debenture); and a contribution from the Borrower of at least ten percent equity.

There are three types of CDCs that participate in the 504 Loan Program. This document relates to the temporary increased delegated authority that was granted, in accordance with section 328(b) of the Economic Aid Act (“EAA”), to CDCs that are approved by SBA to participate in the Accredited Lenders Program (hereafter “ALP CDCs”), which is authorized under section 507(a) of the Small Business Investment Act. Under section 507(c) of the Small Business Investment Act, SBA is authorized to develop an expedited procedure for processing a loan application or servicing action submitted by ALP CDCs. [15 U.S.C. 697d.]

Prior to the Economic Aid Act, ALP CDCs were required to obtain SBA’s approval on both the loan’s eligibility and creditworthiness determinations. In addition, ALP CDCs only had delegated authority to make certain “No Adverse Change” certifications prior to loan closing without SBA’s review and approval and were only authorized to close 504 loans under the expedited loan closing procedures applicable to a Priority CDC. Further, ALP CDCs were required to obtain SBA’s approval for most servicing actions. Section 328(b) of the EAA temporarily provided ALP CDCs increased delegated authority to “approve, authorize, close and service covered loans,” for loans of not more than \$500,000 and that are not made to a borrower in an industry with a high rate of default as defined by SBA (hereafter referred to as “ALP Express Loans”). SBA implemented these increased delegated authorities with the publication of an interim final rule on June 27, 2022. (87 FR 37979). Pursuant to the EAA, these delegated authorities were to expire on September 30, 2023.

In order to evaluate the use of these increased delegated authorities by ALP CDCs and to identify opportunities for further modification, SBA developed the ALP Express Pilot program to provide these increased delegated authorities through September 30, 2025

to ALP CDCs (hereafter referred to as “ALP Express Pilot Loans”). The ALP Express Pilot’s delegated authorities in effect represented a continuation of the ALP Express authority provided by the Economic Aid Act. (88 FR 69529 (October 6, 2023)). When ALP Express delegated authorities become permanent, SBA is not including the prohibition found in section 328(b) of the EAA against making loans with ALP Express authority to a borrower in an industry with a high rate of default because this mandatory requirement sunset with the EAA expiration date. A subsequent review of the 504 portfolio in June 2024 also found that no ALP Express Pilot program loans or covered loans made pursuant to Section 328(b) of the EAA were in default or liquidation as of June 30, 2024.

Pursuant to its authority set forth in Section 507(c) of the Small Business Investment Act (15 U.S.C. 697d(c)), which authorizes SBA to develop expedited procedures for processing a loan application or servicing action submitted by ALP CDCs, SBA proposes to make permanent the increased delegated authorities available under the ALP Express Pilot. The Agency requests comments on all aspects of regulatory revisions in this proposed rule.

2. Evaluation Criteria for ALP Express Pilot

SBA typically initiates a pilot loan program to test an innovative approach to enhance or streamline assistance to small businesses, or a subset of small businesses, and/or lower taxpayer cost

or risk. Pilot loan program evaluations assess how well a program is achieving its objectives and other aspects of performance in the context in which the program operates. Our ongoing evaluations of the 504 program and delegations authorized will give the SBA the opportunity to refine the design of the program and assist in determining whether the program operations have resulted in the desired benefits for participants.

By documenting on SBA Form 1244 whether the ALP CDC is using its ALP Express authority when submitting an application for an ALP Express Pilot Loan, SBA was able to track ALP CDCs’ use of this increased delegated authority. In addition to the program changes introduced through the ALP Express Pilot, on May 11, 2023, SBA instituted an E-Tran risk mitigation technology compliance check on all 504 loans, including those with ALP Express authority, and streamlined the affiliation policy guidance that reduced the amount of paperwork required for submitting loan packages. The ALP Express “covered loans” had performed well prior to this quality control upgrade and continue to perform well with this enhanced fraud risk management systems upgrade in place. The processing time for ALP Express loans was reduced significantly from an average of 5 days to 2.3 days (one loan processed in 3 hours). The quality of the ALP Express Pilot 504 loans have been reviewed by the SBA Office of Credit Risk Management (OCRM) and present low risk to the 504 portfolio. The E-Tran

risk mitigation protocols consists of background checks on 504 borrowers, checks of USCIS verifications, confirmation of the identity of the borrower using their social security number or tax identification number and verification by checking government databases if the applicant has prior loss on government debt. This enhancement streamlines the application process requirements for the CDCs and provides government resources to assist in detecting and preventing fraud for 504 applicants.

SBA reviewed the following data related to ALP CDCs and their use of ALP Express authority under the Economic Aid Act and used the same evaluation criteria for the ALP Express Pilot:

A. Did the number and percentage of 504 loans in the portfolio under \$500,000 increase as a result of the availability of ALP Express authority? It is hard to evaluate the success of ALP Express based solely on the increased number of 504 loans during this period, as there were other factors that influenced demand. During the pandemic, SBA experienced a surge of 504 loan activity in part due to Section 1112 of the CARES Act, which authorized SBA to make the loan payments on SBA loans for SBA borrowers for six months (or more, in some cases). For a more accurate comparison, loan activity prior to this surge period was also considered. Therefore, SBA analyzed recent and pre-pandemic activity levels, as shown in table 1.

TABLE 1—PORTFOLIO TRENDS FOR 504 LOANS UNDER \$500,000 [FY 19 to FY 24]

Fiscal Yr.	Non-ALP Express loans		ALP Express loans		Total 504 loans under \$500,000	
	No.	% Ch	No.	% Ch	No.	% Ch
2019	2,983	.....	.....	.....	2,983	.....
2020	3,426	15	.....	.....	3,426	15
2021	4,471	31	.....	.....	4,471	31
2022	3,414	-24	162	.....	3,576	-20
2023	1,113	-67	1,060	554	2,173	-39
2024	908	-18	772	-27	1,680	-23

* Note: ALP Express Loans were made available in June 2022.

Table 1 provides 504 Loan Program activities for loans of \$500,000 or less. In FY 2019, SBA approved 2,983 non-ALP Express loans, and in FY 2020, SBA approved 3,426 loans, an increase of 15 percent from FY 2019. In FY 2021, SBA approved 4,471 loans, an increase of 31 percent from FY 2020. In FY 2020, SBA approved 3,414 loans, a decrease of 24 percent from FY 2020. In FY 2023,

SBA approved 1,113 loans, a decrease of 67 percent from FY 2022. For FY 2024 starting from October 1, 2024 until June 30, 2024, when this NPRM was drafted, SBA approved 908 loans.

While the Economic Aid Act authorized these increased delegated authorities, SBA did not implement ALP Express until June 27, 2022. From June 27, 2022 to September 20, 2022,

SBA approved 162 ALP Express loans for a combined total of 3,576 loans of 504 loans of \$500,000 or less. In FY 2023, SBA approved 1,060 ALP Express loans, and at the same time the number of approved non-ALP Express loan of \$500,000 or less was 1,113 for a combined total of 2,173 of 504 loans for \$500,000 or less. Finally, for FY 2024 from October 1, 2024 to June 30, 2024,

SBA approved a total of 908 non-ALP Express loans of \$500,000 or less, while approving 772 ALP Express loans, during the same time period, for a combined total of approved 504 loans of \$500,000 or less of 1,680. Even though the total number of non-ALP Express decreased in FY 2023 and in the first three quarters of FY 2024, the total approved ALP Express loans were almost the same number as the approved non-ALP Express loan.

B. How do the default rates of ALP Express loans compare with similarly sized loans not processed and serviced using this authority? Since the implementation of the ALP Express Pilot program (June 27, 2022) through the end of June 2024, SBA has approved 1,994 ALP Express Pilot loans for a total dollar amount of \$579,958,000 with no defaults reported. At the same time, SBA approved 4,581 non-ALP Express loans for a total dollar amount of \$1,391,408,000 with no defaults reported.

C. Did ALP Express loan approvals and servicing turn times improve, resulting in enhanced customer service? Currently the average approval processing time of ALP Express loans is 2.3 business days, one day less than regular 504 loan applications. The fastest approval processing time recorded during the ALP Express Pilot program has been three hours. The average processing time is calculated based on loan volume and the number of loan officers available at the SBA loan center processing 504 loans at the time of application. This is compared to the standard five business days processing time for 504 new loan applications at the SBA loan processing center, which during pandemic had increased up to 10 business days due to the 504 loan volume surge and the Section 1112 payment impact.

SBA issued an interim final rule to implement the ALP Express temporary delegated authority authorized under the Economic Aid Act with an effective date of June 27, 2022. (87 FR 37979). Between June 27, 2022, and September 30, 2022 (the end of FY 2022), SBA approved 162 ALP Express Pilot loans for a total loan amount of \$49,543,000. In FY 2023, SBA approved 1,060 ALP Express Pilot loans for a total loan amount of \$306,236,000. In FY 2024, from October 1, 2024 to June 30, 2024, SBA has approved 772 ALP Express loans for a total dollar amount of \$224,179,000.

In comparison, in FY 2022 SBA approved 3,414 non-ALP Express loans of \$500,000 or less and 162 ALP Express Pilot loans for a period of June 27, 2022 to September 30, 2022, for a combined

total of 3,576 loans of \$500,000 or less. In FY 2023 SBA approved 1,113 non-ALP Express loans and 1,060 ALP Express Pilot loans, for a combined total of 2,173 loans. This was due to a return to pre-pandemic lending levels before the surge created by the availability of Section 1112 funding. Even though the total combined approved loans decreased by 39 percent due to COVID-19, the ALP Express Pilot loans contributed almost half of the total combined approved 504 loans under \$500,000. Finally, for FY 2024 (October 1, 2023, to June 30, 2024), SBA approved 908 non-ALP Express loans of \$500,000 or less and 728 ALP Express Pilot loans for a combined of 1,636 loans with a total loan amount of \$224,179,000.

Therefore, SBA has used the standard five Government Accountability Office evaluation methodologies for evaluating a pilot beyond the **Federal Register** notice stated objectives in the pilot notice and added additional an explanation: (1) The measurable objectives achieved through the pilot were demonstrated by increased ALP processing of loans under \$500,000 and additional CDCs that applied to become ALP CDCs under the pilot; (2) The data SBA collected and analyzed was based on actual 504 loan portfolio performance; (3) SBA evaluated acceptable costs of the pilot and reviewed potential losses and obtain cost savings due to staff time not required to review credit decisions or process certain servicing actions with no increase of costs to SBA; (4) due to the limited universe of CDCs and the self-selection opt in process, SBA considers there were sufficient numbers and types of lenders using the pilot; (5) the factors evidencing a continuing need for the pilot included public support from the CDCs and their trade association and approval to continue to the pilot by the SBA Administrator; and (6) time frames for completion which necessitate this NPRM to convert the pilot to permanent status or the delegated authorities of the ALP Express Pilot will expire on September 30, 2025. By beginning the NPRM process in November 2024, this should allow the full clearance process by SBA and OMB and the public comment period and comment disposition to move to the final rule making and publication stage before the September 30, 2025, deadline.

CDC's Authorities

Under the ALP Express Pilot, SBA delegated to ALP CDCs the authority to make the final decision with respect to the applicant's creditworthiness on ALP

Express Pilot Loans. SBA continued to be responsible for reviewing each 504 loan to ensure that it meets all loan program requirements for program eligibility, and the risk management E-Tran enhancement provided a tool to assist with fraud detection and prevention. SBA proposes to make these increased authorities permanent for loans that meet ALP Express eligibility criteria. SBA is not proposing any additional changes to current ALP Express underwriting, servicing or closing authorities as established by the ALP Express Pilot Program. SBA's Office of General Counsel and the Office of Credit Risk Management noted the top five lender oversight findings of the closed ALP Express loans were minor and resolved promptly. Based on the excellent performance of this cohort of the 504 loans portfolio, there has been low risk to the national portfolio, due to the implementation of the ALP Express Pilot. ALP CDCs appear to have used their delegated authority as prudent lenders. Of all ALP Express approved loans since inception of the pilot through June 30, 2024, none are in default or in liquidation.

SBA also delegated to ALP CDCs the authority to approve certain servicing actions after closing on ALP Express Pilot Loans (though ALP CDCs were still required to notify the appropriate SBA servicing center of their approval of any servicing action on ALP Express Pilot Loans). Finally, SBA delegated to ALP CDCs the responsibility to undertake all actions necessary to close the ALP Express Pilot Loan and Debenture in accordance with the expedited loan closing procedures applicable to a Priority CDC and with 13 CFR 120.960. SBA is proposing to make these increased authorities permanent for loans that meet ALP Express eligibility criteria. CDCs use these delegated authorities to approve certain servicing actions after closing. SBA has not found issues with the ALP Express loan cohort performance or risk that have become a concern and prompted SBA to reconsider the increased delegated authorities.

In their own discretion, ALP CDCs may decide not to exercise their delegated authority with respect to an ALP Express Pilot Loan and may instead submit the loan to SBA under nondelegated procedures. ALP CDCs may not use their ALP Express authority to service a loan that was approved under non-delegated authority that could have been made as an ALP Express Pilot Loan. In addition, PCLP CDCs may decide to process an ALP Express Pilot Loan under their status as an ALP CDC instead of as a PCLP CDC,

thereby not requiring the CDC to comply with Loan Loss Reserve Fund requirements for that loan. SBA is proposing to make these increased authorities permanent for loans that meet ALP Express eligibility requirements and the Loan Loss Reserve Fund requirements for PCLP CDCs that process ALP Express Loan under their status as an ALP CDC instead of as a PCLP CDC.

In making, closing, servicing, or liquidating an ALP Express Pilot Loan, CDCs were required to follow all Loan Program Requirements under the 504 Loan Program. This included the loan closing and disbursement procedures in SOP 50 10 7.1 and the servicing and liquidation requirements in 13 CFR 120.535, 120.536, 120.540, 120.842 and 120.960, as well as SOP 50 55. SBA does not propose any changes to these responsibilities in making the increased authorities available to ALP CDCs under the ALP Express Pilot delegations of authority permanent.

For further guidance on ALP Express authority, SBA published the ALP Express Pilot Program Guide. This guide will continue in use until SOP 50 55 is amended after this pilot is converted to a permanent program.

Application and Reporting Requirements

CDCs are required to use the application forms for current 504 loan processing and execute an SBA Terms and Conditions document for each 504 loan, including ALP Express Pilot loans, as set forth in SOP 50 10 7.1.

By documenting on SBA Form 1244 whether the ALP CDC is using its ALP Express authority when submitting an application for an ALP Express Pilot Loan, SBA was able to track ALP CDCs' use of this increased delegated authority. CDCs were also required to comply with the reporting requirements in 13 CFR 120.830. SBA does not propose any changes to these responsibilities in making the increased authorities available to ALP CDCs under the ALP Express Pilot Program permanent.

Lender Oversight

ALP CDC oversight procedures shall continue to follow the requirements set forth in 13 CFR part 120, subpart I and SOPs 50 53 (Lender Supervision and Enforcement) and SOP 51 00 (On-Site Lender Reviews and Examinations). The SOPs can be found on the SBA website. ALP CDCs will be monitored both for performance and other risk characteristics as well as for compliance with the requirements of the ALP Express Pilot Program. The ALP CDC

must maintain compliance with the requirement that it only makes ALP Express Pilot Loans in an amount of \$500,000 or less, along with all other loan program requirements. ALP CDCs also will be subject to 13 CFR 120.1400 through 120.1600 and the provisions of SOP 50 53 concerning supervision and enforcement. SBA does not propose any changes to these responsibilities in making the increased authorities available to ALP CDCs under the ALP Express Pilot delegations of authority permanent.

Compliance With Executive Orders 12866, 12988, 13132, 13563, and 14904, the Congressional Review Act, (5 U.S.C. 801–808), Paperwork Reduction Act (44 U.S.C., Ch. 35), and the Regulatory Flexibility Act (5 U.S.C. 601–612)

Executive Orders 12866 and 13563

Executive Order 12866, “Regulatory Planning and Review,” directs agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563, “Improving Regulation and Regulatory Review,” emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. Executive Order 14094, “Modernizing Regulatory Review,” amends section 3(f) of Executive Order 12866 and supplements and reaffirms the principles, structures and definitions governing contemporary regulatory review established in Executive Order 12866 and Executive Order 13563. The OMB Office of Information and Regulatory Affairs has determined that this rulemaking is not a significant regulatory action. SBA has drafted a cost-benefit analysis for the public’s information in the next section.

A. Cost-Benefit Analysis

Is there a need for the Regulatory Action?

Access to capital is one of the primary challenges for small business to start, grow and sustain their business. SBA 504 loan programs serve an important role in business lending for small businesses that do not have credit available elsewhere from conventional sources on reasonable terms. The Agency believes that a streamlined process for small dollar loans particularly for loans of \$500,000 or less will facilitate increased participation by small business owners, especially those in underrepresented communities. As a

result of proceeding under the emergency provision at Executive Order 12866, section 6(a)(3)(D), based on the need to move expeditiously to mitigate the COVID–19 pandemic, SBA was able to reduce the processing and approval time of loan applications that were favorable to small businesses that need immediate financial assistance from the government. The ALP Express Pilot delegated authority has proven that ALP CDCs are able to process, approve, and service ALP Express Pilot loans within the guidelines issued by the SBA. SBA hopes to make these reductions permanent. Accordingly, the proposed change will reduce regulatory burdens, reduce the number of hours spent processing an application to deliver a loan for both SBA and lenders and increase access to capital for small businesses.

B. Benefits and Costs of the Rulemaking

What are the potential benefits and costs of this Regulatory Action?

SBA anticipates that implementing the ALP Express Loan authority and providing ALP CDCs with greater authority to approve and service loans will reduce processing time and therefore benefit small businesses, their employees, and the communities they serve.

As a result of the temporary 504 Express Loan Authority (ALP Express Pilot) SBA provides to ALP CDCs, the processing time and approval of loans for \$500,000 or less has an average of 2.3 business days whereas the processing time of regular 504 loans non-delegated authority has an average of 5 days. Therefore, small businesses will have access to capital to start, grow, and sustain their businesses in reasonable time. SBA does not anticipate additional costs or impact on the subsidy to operate ALP Express loan.

C. What alternatives have been considered?

SBA could allow the pilot to expire and resume the ALP authority delegation limited under the 504 program requirements prior to the implementation of the Economic Aid Act. Due to the efficiency gains under the ALP Express pilot, SBA considered it more prudent to retain these delegated authorities to reduce regulatory burdens for CDCs with ALP approved status and responsibly streamline the processing, approval and closings of 504 loan application under \$500,000 without substantially increasing the risk of waste, fraud, or abuse of the programs, or threatening the integrity of the

business loan programs or taxpayer dollars.

Executive Order 12988

This action meets applicable standards set forth in sections 3(a) and 3(b)(2) of Executive Order 12988, *Civil Justice Reform*, to minimize litigation, eliminate ambiguity, and reduce burden. The action would not have preemptive effect or retroactive effect.

Executive Order 13175

This proposed rule would not have Tribal implications under Executive Order 13175, Consultation and Coordination with Indian Tribal Governments, because it would not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

Executive Order 13132

This rulemaking would not have federalism implications as defined in Executive Order 13132, *Federalism*. It would not have substantial direct effects on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government, as specified in the Executive order. As such it does not warrant the preparation of a Federalism Assessment.

Paperwork Reduction Act, 44 U.S.C., Ch. 35

This rulemaking does not impose additional reporting or recordkeeping requirements under the Paperwork Reduction Act, 44 U.S.C. chapter 35. In order to implement the Economic Aid Act, SBA determined that it was necessary to temporarily modify SBA Form 1244, which was approved on November 22, 2022, under OMB Control Number 3245-0071, *Application for Section 504 Loans*, to conform the application with the revised requirements for ALP Express Loan authority. The changes did not add any new burdens for the respondents. SBA made the following technical corrections and clarifying changes to SBA Form 1244: (1) revised question number 4 on page 2 to include the updated language of Criminal Justice Rule; (2) added paragraph on page 4 authorizing the SBA to release information regarding existing SBA loan to Lender/CDC; (3) revised the instructions on page 5 (*Purpose of the Form*) to clarify that CDCs with ALP Express Loan authority must use the form; (4) added a new ALP Express

checkbox to page 8 in the *Submission Method* field; (5) added additional row to the project table on page 9 for Other Secured Debt to be Refinanced; and (6) updated the instructions on pages 11 and 12 (*Required Exhibits*) to identify which exhibits must be completed and uploaded in SBA's E-Tran system for ALP Express Loans and which exhibits non-ASM CDCs must complete and upload into E-Tran. SBA obtained emergency approval from OMB for the revised information collection. No additional modifications to SBA Form 1244 were necessary for the ALP Express Pilot, and no additional modifications to SBA Form 1244 will be necessary for purposes of making the ALP Express increased authorities permanent through this rulemaking.

Regulatory Flexibility Act 5 U.S.C. 601-612

The Regulatory Flexibility Act ("RFA"), 5 U.S.C. 601, requires administrative agencies to consider the effect of their actions on small businesses, small organizations, and small governmental jurisdictions. Pursuant to the RFA, when an agency issues a proposed rulemaking, it must prepare and make available for public comment an initial regulatory flexibility analysis to address the impact of the rule on small entities. However, section 605 of the RFA allows an agency to certify a rule, in lieu of preparing an analysis, if the rulemaking is not expected to have a significant economic impact on a substantial number of small entities. The rulemaking will impact 85 ALP CDCs; however, SBA believes the impact will be positive and beneficial to all ALP CDCs. This rulemaking makes permanent the temporary increased delegated authorities available under the ALP Express Pilot program. This will improve the approval time of 504 loan applications for loans in an amount of \$500,000 or less.

For the three-year period between FY 2022 (June 27, 2022) to FY 2024 (June 30, 2024) SBA approved 4,581 non-ALP Express loans of \$500,000 or less, for a total dollar amount of \$1,391,408,000. In the same time period SBA approved 1,994 ALP Express loans for a total dollar amount of \$579,958,000. The total combined approved loans for 504 loan of less than \$500,000 over the same three-year period is 6,575 loans for a total of \$1,971,366,000.

Based on the actual loans approved in the three-year period since ALP Express Pilot program implementation, ALP CDCs have demonstrated success in processing and servicing loans for less than \$500,000 less through the ALP Express program using their ALP

delegated authority. In addition, since ALP Express implementation, there have been no instances of ALP Express in default or in liquidation. SBA estimates the burden for completing SBA Form 1244, "Application For Section 504 Loans", including time for reviewing instructions, gathering data and documentation needed, and completing and reviewing the form, is 2.5 hours. SBA will not need to change SBA Form 1244 as a result of the proposed rulemaking of ALP Express as permanent program. SBA anticipates the proposed rule will increase CDCs participation in making loans of \$500,000 or less and increase the number of approved 504 program loans as a whole. The ALP Express pilot added no additional cost burdens to SBA, CDCs, or small business borrowers. There were minimal changes to forms and SBA used existing staff to implement the pilot. The zero default and liquidation rates of the ALP Express pilot portfolio cohort document no potential impact to SBA subsidy.

Based on the foregoing, the Administrator of the SBA hereby certifies that this rulemaking will not have a significant economic impact on most small businesses. The SBA invites comments from the public on this certification.

List of Subjects in 13 CFR Part 120

Accredited Lender Program, Certified development companies, Community development, Debentures, Loan programs—business, Small businesses.

For the reasons discussed in the preamble, the Small Business Administration proposes to amend 13 CFR part 120 as follows:

PART 120—BUSINESS LOANS

- 1. The authority citation for part 120 continues to read as follows:

Authority: 15 U.S.C. 634(b)(6), (b)(7), (b)(14), (h), and note, 636(a), (h) and (m), 650, 687(f), 696(3) and (7), and 697(a) and (e); sec. 521, Pub. L. 114-113, 129 Stat. 2242; sec. 328(a), Pub. L. 116-260, 134 Stat. 1182.

- 2. Amend § 120.842 by revising paragraph (a) and removing paragraph (d) to read as follows:

§ 120.842 ALP Express Loans.

(a) *Definition.* For the purposes of this section, an ALP Express loan means a 504 loan in an amount that is not more than \$500,000 and which is underwritten, approved, closed and

serviced using the authorities set forth in this section.

* * * * *

Isabella Casillas Guzman,
Administrator.

[FR Doc. 2024-24753 Filed 10-23-24; 8:45 am]

BILLING CODE 8026-09-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2024-2411; Project Identifier MCAI-2023-00874-R]

RIN 2120-AA64

Airworthiness Directives; Airbus Helicopters

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for all Airbus Helicopters Model SA330J helicopters. This proposed AD was prompted by a determination that new or more restrictive airworthiness limitations are necessary. This proposed AD would require revising the existing maintenance records by incorporating new or more restrictive airworthiness limitations, as specified in a European Union Aviation Safety Agency (EASA) AD, which is proposed for incorporation by reference. The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this NPRM by December 9, 2024.

ADDRESSES: You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- *Federal eRulemaking Portal:* Go to [regulations.gov](https://www.regulations.gov). Follow the instructions for submitting comments.

- *Fax:* (202) 493-2251.

- *Mail:* U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE, Washington, DC 20590.

- *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

AD Docket: You may examine the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA-2024-2411; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket

contains this NPRM, the EASA AD, any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference:

- For EASA material identified in this proposed AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; phone: +49 221 8999 000; email: ADS@easa.europa.eu; website: easa.europa.eu. You may find the EASA material on the EASA website at ad.easa.europa.eu.

- You may view this material at the FAA, Office of the Regional Counsel, Southwest Region, 10101 Hillwood Parkway, Room 6N-321, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222-5110. The EASA material is also available at [regulations.gov](https://www.regulations.gov) under Docket No. FAA-2024-2411.

Other Related Material: For Airbus material identified in this proposed AD, contact Airbus Helicopters, 2701 North Forum Drive, Grand Prairie, TX 75052; phone: (972) 641-0000 or (800) 232-0323; fax: (972) 641-3775; website: airbus.com/en/products-services/helicopters/hcare-services/airbusworld.

FOR FURTHER INFORMATION CONTACT:

Adam Hein, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (316) 946-4116; email: Adam.Hein@faa.gov.

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites you to send any written relevant data, views, or arguments about this proposal. Send your comments to an address listed under **ADDRESSES**. Include “Docket No. FAA-2024-2411; Project Identifier MCAI-2023-00874-R” at the beginning of your comments. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. The FAA will consider all comments received by the closing date and may amend this proposal because of those comments.

Except for Confidential Business Information (CBI) as described in the following paragraph, and other information as described in 14 CFR 11.35, the FAA will post all comments received, without change, to [regulations.gov](https://www.regulations.gov), including any personal information you provide. The agency will also post a report summarizing each substantive verbal contact received about this NPRM.

Confidential Business Information

CBI is commercial or financial information that is both customarily and

actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to this NPRM, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as “PROPIN.” The FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to Adam Hein, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (316) 946-4116; email: Adam.Hein@faa.gov. Any commentary that the FAA receives which is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

EASA, which is the Technical Agent for the Member States of the European Union, has issued EASA AD 2023-0146, dated July 14, 2023 (EASA AD 2023-0146), to correct an unsafe condition on Airbus Helicopters Model SA 330 J helicopters. EASA advises that airworthiness limitations and certification maintenance instructions are identified as mandatory for continued airworthiness and that Revision 7 of SA 330 J Maintenance Program—PUMA 330 J Airworthiness Limitations 5.99, Edition 2, date code 06-22, has been issued to specify all service life limits and maintenance tasks for SA 330 J helicopters and separate the airworthiness limitations from the Master Servicing Recommendations Manual (P.R.E.). According to EASA, failure to accomplish these instructions could result in an unsafe condition. You may examine EASA AD 2023-0146 in the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA-2024-2411.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed EASA AD 2023-0146, which requires replacing components before exceeding their life limits and accomplishing maintenance tasks within thresholds and intervals specified in the ALS as defined within. Depending on the results of the maintenance tasks, EASA AD 2023-0146 requires accomplishing corrective action(s) or contacting AH [Airbus Helicopters] for approved instructions and accomplishing those instructions.