

concerns of the corporation referred to in paragraph (5). No act or omission to act, if requested by the Administrator pursuant to this paragraph, and if found and approved by the Administration as contributing to the needs of small business, shall be construed to be within the prohibitions of the anti-trust laws of the Federal Trade Commission Act of the United States. A copy of the statement of any such finding and approval intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the Chairman of the Federal Trade Commission when made, and it shall be published in the Federal Register. The authority granted in this paragraph shall be exercised only (A) by the Administrator, (B) upon the condition that the Administrator consult with the Attorney General and with the Chairman of the Federal Trade Commission, and (C) upon the condition that the Administrator obtain the approval of the Attorney General before exercising such authority. Upon withdrawal of any request or finding hereunder or upon withdrawal by the Attorney General of his approval granted under the preceding sentence, the provisions of this paragraph shall not apply to any subsequent act or omission to act by reason of such finding or request.

(7) All loans made under this subsection shall be of such sound value or so secured as reasonably to assure repayment.

The CHAIRMAN. You have identified the maximum loan and the authority, and Mr. Moot has testified as to revolving fund, and your administrative ceilings. These 7(a) business loans, are they all at the same uniform interest rate throughout the Nation?

Mr. HENDRICKS. They are all on the SBA portion at the same interest rate, 5½ percent, which is set up by statute.

The CHAIRMAN. At one time the statute used to provide whatever was the going rate in the State?

Mr. HENDRICKS. Yes, sir.

The CHAIRMAN. And the States had varying interest rates, so the Congress specified 5½ percent, and this is tied down.

Mr. HENDRICKS. Yes, sir.

The CHAIRMAN. By statute.

Mr. HENDRICKS. That was tied down in 1958 when the investment amendment came into being.

The CHAIRMAN. What is the maximum term of these SBA business loans, section 7(a) loans?

Mr. HENDRICKS. They average about six and a quarter years to maturity. The maximum permitted by statute would be 10 years for a regular business loan, but if construction is involved, then a 15-year loan is permitted. This was accomplished, as the chairman knows, through a recent amendment to the act. The maturity may be, of course, as short as needed. We seldom see any maturity——

The CHAIRMAN. Five and one-half percent is the statutory interest. Ten years is the maximum by statute.

Mr. HENDRICKS. Yes, sir; except where construction is involved, the law now provides that the maximum of 15 years may be used as a maturity.

The CHAIRMAN. What is the percentage of applications approved as compared with the numbers filed in this type of loan?

Mr. HENDRICKS. Our rate is very high at this time, Mr. Chairman. It runs about 76 percent for this fiscal year, and of those applications approved, approximately 94 percent this fiscal year are disbursed.

The CHAIRMAN. About 76 percent——

Mr. HENDRICKS. Yes, sir.

The CHAIRMAN (continuing). Of the applications filed are favorably acted upon?

Mr. HENDRICKS. Yes, sir.