First Look at Active SBA 7(a) Commercial Real Estate Distress

The first public view of in-flight SBA 7(a) CRE distress.
Drawn from the March 31, 2026 FOIA disclosure. Disbursed 25-year commercial real estate loans since 1991.

01 Active Distress Today

136,580 disbursed 25-year SBA CRE loans approved since 1991. 1,551 in active distress today / $2.42 billion. Only 34 are in CHGOFF (the only status the public could see in the legacy data). The other 1,517 were invisible.

STATUS	LOANS	$M APPROVED	% OF CRE BOOK
In Liquidation Collateral being sold to satisfy recovery	547	$903.1	0.40%
Past Due (Advanced Workout) Lender in formal workout discussions	338	$497.1	0.25%
SBA Guaranty Purchased SBA paid the lender; borrower owes SBA directly, not yet charged off	332	$552.5	0.24%
Delinquent Past due, early stage	300	$437.9	0.22%
Charged Off Formally written off (terminal state)	34	$26.9	0.02%
TOTAL	**1,551**	**$2,417.5**	**1.14%**

02 Concentration By Approval Year

62% of all active distress sits in loans approved after October 2019. That cohort is only 26% of total disbursed CRE 25-year originations since 1991.

APPROVAL YEAR	DISBURSED LOANS	DISTRESSED	RATE
FY2000-2009	25,662	76	**0.30%**
FY2010-2019	50,703	512	**1.01%**
FY2020-present	**36,088**	**957**	**2.65%**

FY1991-1999 omitted: 25-year loans from that cohort matured between 2016-2024, so distress-rate-against-originations is no longer comparable to active vintages.

03 Key Findings

- **44.6× more visibility.** 1,517 loans in Delinquent, Past Due, In Liquidation, or SBA-Purchased status, invisible before this quarter, are now in the public data.
- **Distressed deals run 58% larger.** Average distressed approval is $1.56M vs $984K for non-distressed CRE loans.
- **SBA Guaranty Purchased is the leading indicator.** The 332 loans there today are the next 18-24 months of charge-off entries. Next FOIA disclosure: June 30, 2026. Issue 02 (approval-year dynamics) and Issue 03 (industry breakdown) follow.



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SOURCE *SBA 7(a) FOIA data as of 3/31/2026.*

METHODOLOGY *25-yr owner-occupied CRE proxy, disbursed loans only. Distress = active in-flight statuses (Delinq, Past Due, Liquidation, SBA-Purchased, Charged Off). Not investment, lending, tax, or legal advice.*