SBA 7(a) OWNER-OCCUPIED CRE · Q2 2026 EDITION

The Owner-Occupied CRE Quarterly

SBA 7(a) 25-year owner-occupied CRE loans approved April 1 through June 30, 2026.

Q2 GROSS APPROVALS	MEDIAN LOAN SIZE	MEDIAN NOTE RATE	Q2 LOANS APPROVED
$2.09B	**$1.15M**	**8.15%**	**1,291**
▲ 1% year over year	▲ 8% year over year	▼ 60 bp year over year	▼ 7% year over year

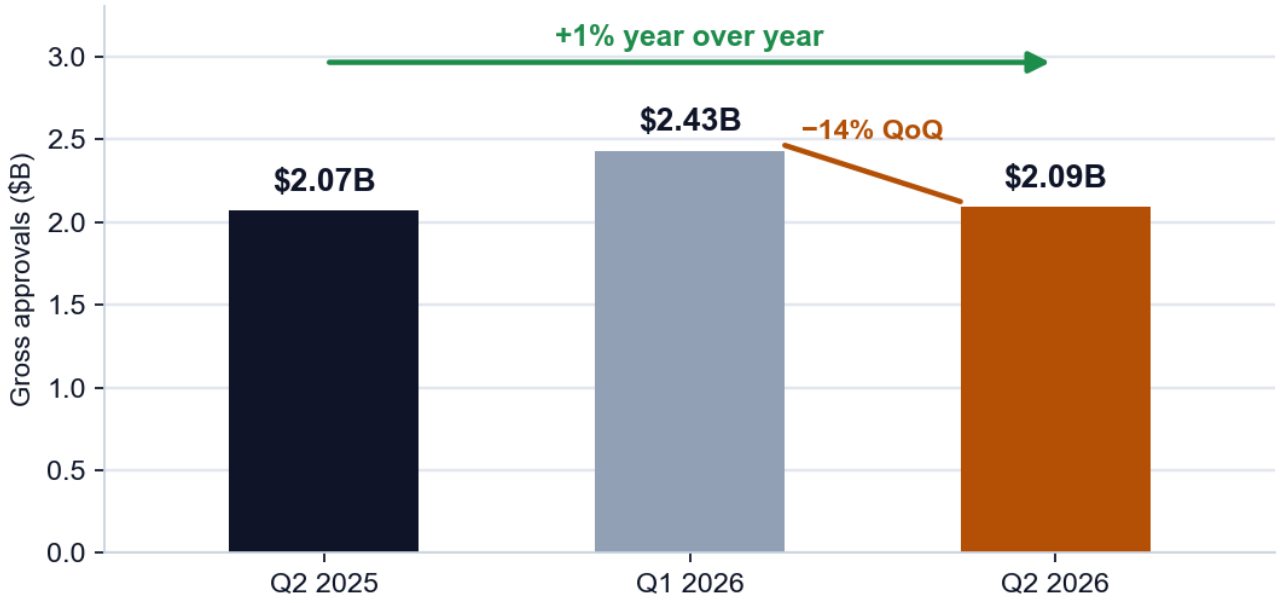
KEY FINDINGS

- **Flat dollars, fewer and larger loans.** Gross approvals reached $2.09 billion, up 1% year over year, on 7% fewer loans. The median deal rose 8% to $1.15 million.
- **Distressed owner-occupied loans that ended mostly paid off.** Of the 1,517 owner-occupied CRE loans in distress on March 31, 44 paid off in full and 11 charged off in April and May, 4 payoffs for every charge-off. 94% were still listed as active in SBA's June file.
- **Hotels up on a year ago.** Hotels and motels took 11.4% of approvals by loan count, up from 9.2% a year earlier and still the largest single industry, though below their first-quarter share.
- **A new leader, and no one above 6%.** Harvest Small Business Finance and Bank of Hope finished effectively tied at 5.5% of the quarter's dollars. Live Oak, first in Q1, slipped to fifth.

01 · APPROVALS

Flat dollars on fewer loans.

Second-quarter 2026 gross approvals came in at $2.09 billion across 1,291 loans: up 1% year over year in dollars while the loan count fell 7%. About the same money spread across fewer loans means the typical deal kept getting bigger. Against the first quarter, dollars fell 14%, but the first quarter carried January's surge, so the year-over-year comparison is the cleaner read.

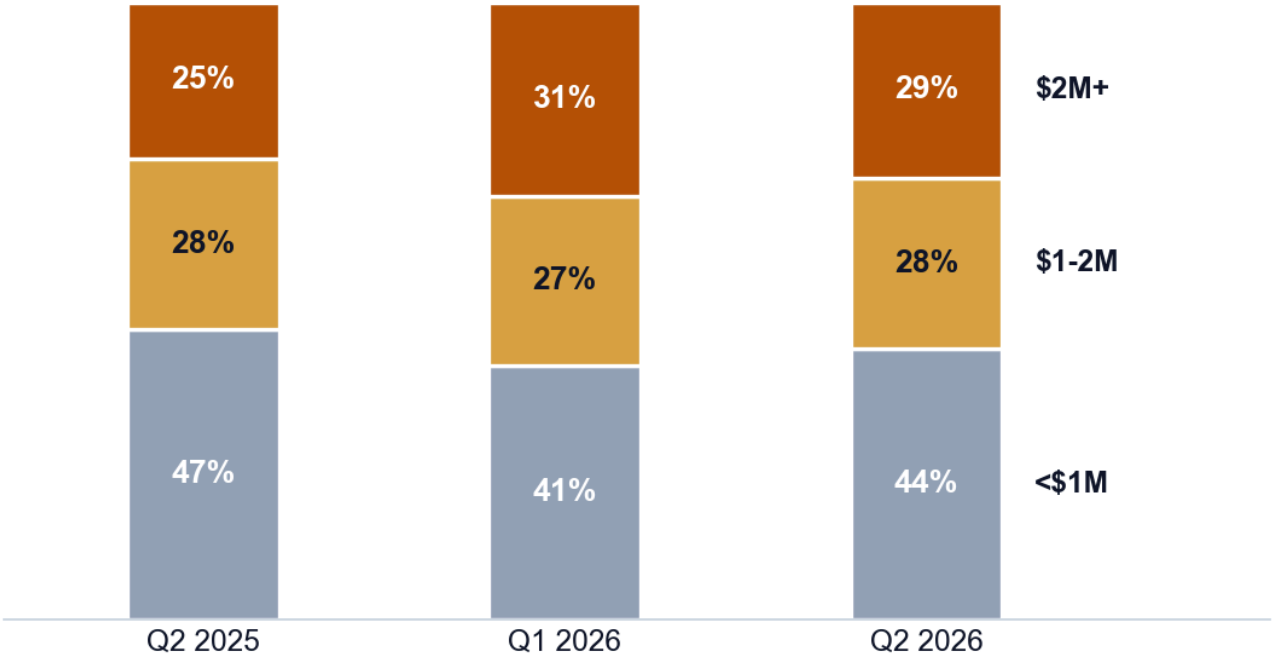


Gross approvals: the year-ago quarter, the prior quarter, and this quarter. All three come from SBA's June file, which shows Q1 2026 at $2.43B (the March file showed $2.45B) because SBA changed the term on some loans. Total 7(a) approvals for the quarter did not change.

02 · LOAN SIZE

Bigger deals kept their ground.

Deals of $2 million and up rose to 29% of approvals, from 25% a year earlier, while deals under $1 million fell to 44% from 47%. The median deal reached $1.15 million, up 8% year over year. The first quarter leaned larger still, with 31% at $2 million and up, so the second quarter gave back a little of that, but the year-over-year direction held.

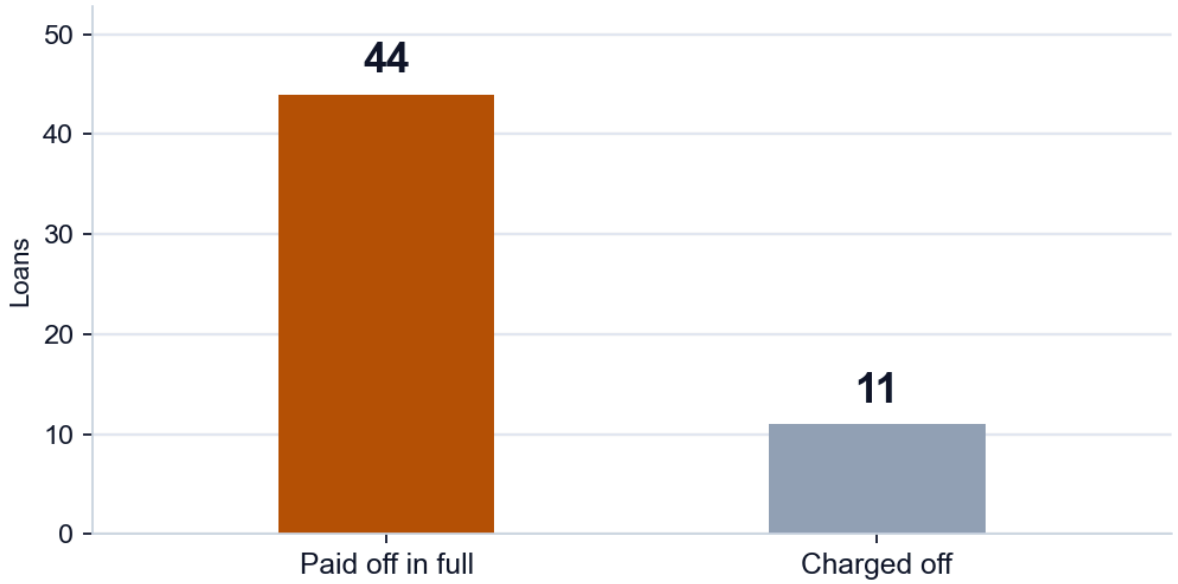


Loan-size mix by quarter, share of approvals by loan count. Each tier is rounded on its own, so a column can add to 99% or 101%.

03 · PORTFOLIO HEALTH

Distressed owner-occupied loans that ended mostly paid off.

The March file was the first, and so far only, release with detailed loan statuses; SBA's June file went back to showing every active loan simply as active. What the file still shows is how loans end. Of the 1,517 owner-occupied CRE loans in distress on March 31, 1,426 (94%) were still listed as active in the June file. Of those that ended in April and May, 44 paid off in full and 11 charged off: 4 payoffs for every charge-off, or 80% of the exits. Across the rest of the 7(a) book, payoffs were just over a third of the exits. The full breakdown, by stage of distress, is in the What Happened Next report.

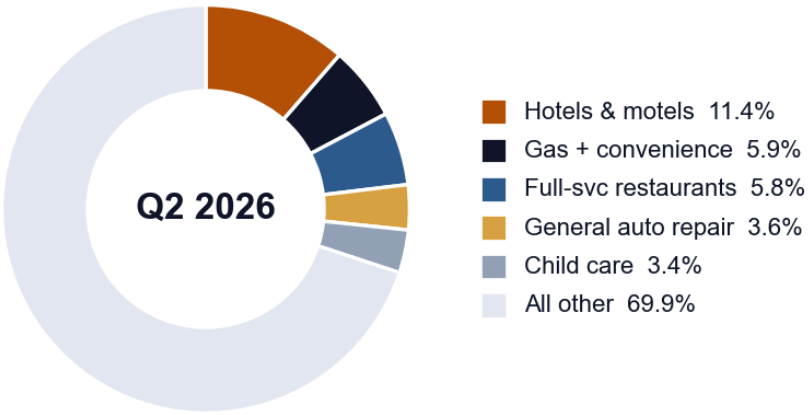


Owner-occupied CRE loans in distress on 03/31/2026 that paid off in full or charged off with a recorded date in April or May 2026. SBA's June file carries no June payoff dates yet, so June is left out on both sides.

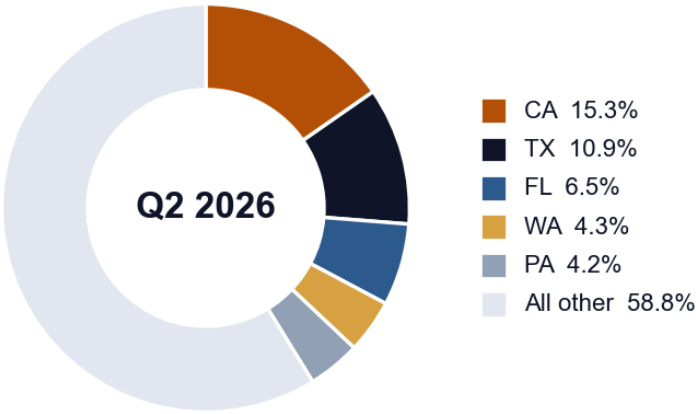
04 · WHERE THE DEALS ARE

Hotels up on a year ago; the map held its shape.

Hotels and motels took 11.4% of approvals by loan count, up from 9.2% a year earlier, and remain the largest single industry in the segment, though below their first-quarter share. Gas stations with convenience stores (5.9%) and full-service restaurants (5.8%) followed. California (15.3%) and Texas (10.9%) together again took more than a quarter of the market, and California has held between 15 and 21% of second-quarter loans in each of the last five years.



By industry, share of Q2 2026 approvals by loan count.

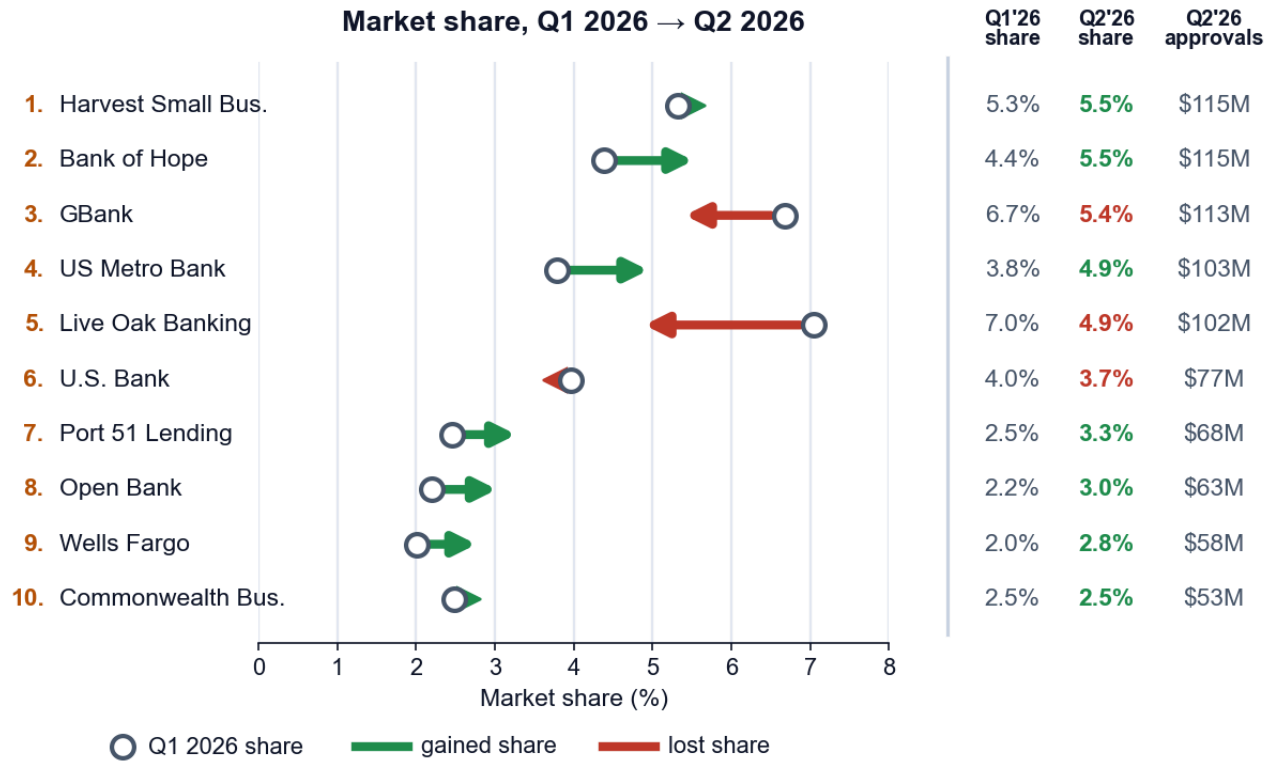


By state, share of Q2 2026 approvals by loan count.

05 · LENDERS

A new leader, and a field that stays open.

Harvest Small Business Finance and Bank of Hope finished the quarter effectively tied at 5.5% of gross approval dollars, while Live Oak, first in Q1, slipped to fifth at 4.9%. No lender captured even 6% of the quarter's 300-month dollars; across the rest of 7(a), Live Oak alone took 7.7%. Among loans of 300 months or longer, a wider group than this report covers, Live Oak led at 7.9%. Ranked by Q2 2026 gross approval volume.



Top 10 lenders by Q2 2026 owner-occupied CRE market share. Each arrow runs from the lender's Q1 2026 share (hollow dot) to Q2 2026 (arrowhead); green = gained share, red = lost. Q1 2026 shares come from SBA's June file.

Methodology. SBA 7(a) FOIA data as of 06/30/2026. Owner-occupied CRE = 300-month (25-year) term loans, SBA's maximum for real estate loans, available on mixed-purpose loans when real estate is 51% or more of proceeds. Loans with added time for construction or renovation, and shorter real estate loans, are not included. Calendar-year basis, not SBA fiscal year. Approvals by approval date. Volume, loan-size, and lender shares are on a gross-approval basis (including cancelled and approved-but-not-yet-disbursed loans). Prior-quarter figures come from the same June file. Portfolio health follows the loans in distress on 03/31/2026, identified by their March term, and counts exits dated April and May 2026, in loans, not dollars. SBA later changes the term on some purchased and charged-off loans; following the March cohort avoids that, but loans re-termed before March are still counted with the rest of 7(a). SBA publishes no loan ID, so loans are matched across files on name, ZIP, approval date and amount; more than 99% traced. Lenders are the bank currently assigned the loan in SBA's file.



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I help businesses finance their commercial real estate.

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SOURCE *SBA 7(a) FOIA data as of 06/30/2026.*

METHODOLOGY *300-month term (SBA's maximum for real estate loans). Calendar-year basis. Approvals by approval date; lender shares quarter over quarter; distress follow-up on the 03/31/2026 cohort.*

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