



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, DC 20416

**SBA Supervised Lender Safety and Soundness Examination/Full Review
Information Request
Attachment to Notice of Intent to Perform a Review**

In accordance with 15 USC 650(a), 15 USC 657t(c)(2), 13 CFR §120.1000 (Risk-Based Lender Oversight), and 13 CFR §120.1050 (Reviews and Examinations), SBA conducts reviews and examinations of the SBA loan operations of SBA Lenders, including SBA Supervised Lenders as defined in 13 CR 120.10. The information requested below assists in SBA's evaluation of the Lender's portfolio performance; SBA operations management; credit administration; compliance with Loan Program Requirements and as applicable, SBA Supervised Lender capital adequacy, earnings, and liquidity¹. Submission of this information is required so that SBA can conduct that evaluation.

Instructions for the submission of requested information are in the attached cover letter.

**Please note, in general, for information that has already been provided by a 7(a) lender but is unchanged, a lender may certify that the information was already provided and is unchanged in lieu of resubmitting the information. The certification that must accompany this document submission must also state to whom and on what date the information was provided to SBA.

List of Loans in the Sample for Review/Examination

To be provided to the SBA Supervised Lender on or about two (2) weeks prior to the on- site activities ***INSERT DATE***

Items Requested for Pre-Site Review/Examination

Management and Operations

1. Organization
 - a. Current organizational chart (e.g., position level) for the SBA Supervised Lender and a summary of delegations and responsibilities for the SBA program executives and program managers.
 - b. Current entity level organizational chart including the Parent Company, Affiliates, and/or subsidiaries.
2. Business Plan
 - a. Strategic and current operating plans, budgets and comparative performance reports related to lender's SBA program objectives for portfolio growth, performance, product lines, and geographic and industry (i.e. NAICS) concentrations.
3. Financial Information
 - a. Annual Report and year-end audited financial statements for prior 3 years. Most recent interim financial statements.
 - b. Final or, if reports are not finalized, draft reports received within the last two years related to your SBA program:
 - i. Internal audits, examinations, reviews and management letters;

¹ Information requested may be applicable to the evaluation of more than one area.
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- ii. External audits, examinations, reviews and management letters; and
- iii. Management's response and a summary of actions taken to address the findings and recommendations of each audit, examination or review.

Eligibility and Credit Administration

1. Written policies and procedures, including:
 - a. Credit policies;
 - b. Internal controls policies and procedures (including policies to determine whether employees are subject to criminal, civil, or administrative actions);
 - c. Loan servicing policies and procedures;
 - d. Any credit scoring methodology employed to screen or approve loans;
 - e. Annual validation, with supporting documentation and methodologies demonstrating that any scoring model used by the SBLC is predictive of loan performance; and,
 - f. Risk rating methodology.
2. Documentation that demonstrates testing of lender compliance with policies and procedures and internal controls. For example, internal audit documentation, external audit test results, or other proof of quality assurance activities.
3. Description of the internal and/or external methodology employed, including credit scoring techniques if applicable, utilized to:
 - a. Screen or evaluate for loan approval; and
 - b. Grade existing loans.
4. List of all SBA guaranteed loans as of **INSERT DATE** in the Excel format provided, which includes current risk rating grade/score.
5. List of all SBA loans approved since **INSERT DATE** that have exceeded 30 days past due on principal or have been purchased from the secondary market and the current status of that account.
6. List of all SBA loans approved since **INSERT DATE** that were made as an exception to underwriting standards. Also, please state the nature of the exception.
7. List of all SBA loans that had servicing actions since **INSERT DATE** . Please include a description of the servicing action taken and the current status of the account.
8. List of all SBA loans purchased from another lender since **INSERT DATE**. Also, please state the originating lender's name and date of purchase.

Compliance with Loan Program Requirements

1. If agents are used - provide your written policy on lender's use and oversight of agents and provide a narrative describing any relationships with non-employee commissioned or any other type of non-employee loan application agents (e.g. packagers), brokers or similar individuals.
2. For all SBA guaranteed loans referred by an agent, provide a list of loans by agent and the current status of each loan (current, past due, in deferment, in liquidation, charged-off).
3. Lender Service Providers (LSPs) (If applicable)
 - a. Provide a list of LSPs and documentation including a copy of the LSP Agreement and date of contract acceptance by the SBA.
 - If the LSP assists with origination, provide details on who prepares and approves the credit memo.
 - For servicing and liquidation activities, describe who (Lender or LSP) is in contact with the applicable SBA processing center.

- Who has physical possession of the loan files?
- b. Provide the name of the Lender staff who manages the LSP relationship (i.e. vendor management) as well as a copy of policies and/or procedures regarding the use, oversight and management of the LSP(s).
- c. Provide any reporting information by the Lender (e.g., to management or the Board) regarding the performance of the LSP(s).
- d. Provide a summary describing any revisions or changes to the original LSP Agreement and date of revised contract acceptance by the SBA. If the revised LSP Agreement has not been submitted to the SBA for review, please do so now via email (LSPAgreements@sba.gov) and provide a copy of the submission email.
- 4. If the LSP Agreement has been terminated, provide a copy of the termination letter or email submitted to the SBA.
- 5. Proof of fidelity insurance coverage.
- 6. List and dates of SBA-specific training provided to staff.
- 7. Copies of the minutes of all Board of Directors meetings since **INSERT DATE**.

Items Requested During the On-site Review/Examination (Compliance)

1. A copy of the monthly and daily (unscheduled payments) SBA Form 1502, Guaranty Loan Status and Lender Remittance Report in SBA loan number order, Lender Exception reports and confirmation of related remittances for the last three (3) months. Provide reports in Excel files.
2. Data relating to the most recent 10 SBA loans submitted for purchase to SBA, or all requests for purchase for the past 60 months, whichever is the smaller number of loans. Please provide information relating to amount of purchase request, amount received, and an explanation of circumstances relating to any reductions in purchase request amount. Provide a transcript of account for each purchase request loan reported here (for life of loan).
3. A transcript of account for the life of the loan for each loan selected for review.
4. The loan files selected for review.

PLEASE NOTE: You are not required to respond to any collection of information unless it displays a currently valid OMB Approval number. The number for this collection of information is 3245-0365. The total estimated time to respond to this collection of information, including gathering and maintaining the data needed, and completing and reviewing the collection of information, is 1440 minutes. You may send comments or questions regarding this estimated time or any other aspect of this collection of information including suggestions for reducing the time or other burden to: Director, Records Management Division, 409 Third Street, S.W., Washington D. C. 20416, and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Office Building, Room 10202, Washington DC 20503.

Disclosure of Information – Requests for information contained herein may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act, 5 U.S.C. §552. The Privacy Act, 5 U.S.C. §552a, authorizes SBA to make certain “routine uses” of information protected by that Act. One such routine use is the disclosure of information maintained in SBA’s system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement, or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies’ function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses.