



U.S. Small Business Administration  
June 2004

# Bank Notes

## A Newsletter for South Texas Lenders

Issue #27

SBA Notice 9000-1529

Ensuring Accuracy of Electronic Versions of SBA Forms

This notice serves as a reminder that all SBA employees, certified development companies (CDCs), and lenders participating in the 7(a) and 504 business loan programs must take steps to ensure that electronic versions of SBA forms are exact reproductions of the original forms. An SBA employee recently brought to the attention of the Office of Inspector General (OIG) that a company which supplies software to lenders to allow creation of electronic SBA forms was providing an inaccurate version of Form 912, Statement of Personal History. Form 912, which was revised in October 2003, is used, among other things, to make character and credit eligibility decisions in determining whether to guarantee or make a loan. The inaccuracies in the electronic version of the form related primarily to questions of citizenship where the check boxes were misaligned and the question was worded incorrectly. These problems were so significant that they could result in loans being provided to ineligible applicants. After learning of the inaccuracies, the company that provided the software corrected the problem and notified its clients of the correction. SBA regulations state as follows:

Any Applicant or Participant may use computer generated SBA application forms, closing forms, and other forms designated by SBA **if the forms are exact reproductions of SBA forms.** (13 C.F.R. § 120.194; emphasis added)

In addition, the regulations governing denial of 7(a) loan guarantees provide that "SBA is released from liability on a loan guarantee (in whole or in part, within SBA's exclusive discretion), if ... [t]he Lender has failed to use required SBA forms **or exact electronic copies** ..." 13 C.F.R. § 120.524(a)(9) (emphasis added). These provisions impose an obligation on all SBA employees whose responsibilities pertain to the 7(a) and 504 business loan programs, and to the CDCs and lenders participating in those programs, to exercise vigilance to ensure that electronic or computer-generated forms are "exact reproductions of SBA forms." SBA Forms are available to the public and lenders under "Financial Assistance Forms" at <http://www.sba.gov/library/forms.html>. If lenders or CDCs have any questions regarding this Notice, they should contact the Harlingen District Office or the Corpus Christi Branch Office.

### Fiscal Year 2004 – June 30, 2004

#### Harlingen District Top Volume Lenders

1. Innovative Bank	78	\$601,000
2. American Bank, N.A., CC, TX	31	\$3,364,900
3. JP Morgan Chase	16	\$826,300
4. Capital One, FSB	15	\$505,000
5. Wells Fargo Bank	11	\$1,253,500
6. Lone Star National Bank	7	\$1,482,500
6. Alamo Bank of Texas	7	\$747,000
6. Texas State Bank	7	\$658,200
7. ValueBank Texas, CC, TX	6	\$760,000
8. McAllen National Bank	5	\$1,000,000
8. Bank of America	5	\$331,500
9. Texas CDC	4	\$1,656,000
9. Brownsville LDC	4	\$592,000

**A Big  
Thanks to  
our lenders  
for  
continuing  
to support  
our local  
small  
businesses  
with SBA  
Financing!**

#### Special Points of Interest!

- **July 21st (9:00 am)** – Harlingen SBA Lender Roundtable, SBA Office
- **July 22nd (9:00 am)** - Corpus Christi Lender Roundtable, SBA Office
- **August 18th – 20th** - 2004 Mid-America Lender's Conference will be held at the Doral Tesoro Hotel in Ft. Worth, Texas. Visit [www.ntsfdc.org/malc](http://www.ntsfdc.org/malc), or contact the conference coordinator, Al Salgado of the Dallas SBDC: 214-860-5832.

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District Director

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**National 7(a)  
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