

Accredited Lenders Program (ALP) / Premier Certified Lenders Program (PCLP)

Application and Renewal Requirements Guide for CDCs

This Guide includes the list of items a CDC is required to submit to the District Office for ALP/PCLP Applications and ALP/PCLP Renewals. It is intended to supplement the applicable SBA rules, regulations and policies and not to replace or amend them. If a conflict should arise between this general list of requirements and applicable SBA rules, regulations and policies, the applicable SBA rules, regulations and policies shall prevail. All renewal documentation should be submitted to the District Office 120 days prior to the expiration date of delegated authority.

A. Requirements for new ALP/PCLP Applicants [§ 120.840]

- 1) Certified copy of the Board resolution authorizing the application for ALP/PCLP designation.
- 2) A copy of the CDC's By-laws and any amendments.
- 3) All documents listed in Section C of this Guide.

B. Requirements for ALP/PCLP Renewals:

- 1) A written request for renewal specifying ALP or ALP/PCLP status.
- 2) A copy of the CDC's Amended By-laws, if applicable.
- 3) All documents listed in Section C of this Guide.

C. Requirements for New Applicants and Renewals:

- 1) Evidence that the CDC has met the required loan volume as per 13 CFR §120.841(b).
- 2) Comments from the CDC on the performance of any of the following components, where the CDC's SMART score is >3 or it is underperforming its Peer Group in the CDC's most recent Lender Portal Report:
 - a) Past Due Rate
 - b) Active Purchase Rate (a/k/a Liquidation Rate)
 - c) Average Portfolio SBPS Score
 - d) Lender Purchase Rating (LRR/LPR)
- 3) A copy of the CDC's Internal Control Policy in accordance with 13 CFR §120.826(b) and evidence of Board approval.
- 4) A copy of the CDC's most recent Independent Loan Review Report, Management's Response, and Board minutes evidencing the presentation and discussion of the Review and Response.
- 5) Copies of the CDC's most current Credit Approval and Loan Servicing policies.
- 6) A copy of the CDC's current organizational chart with names, positions and a brief description of responsibilities.
- 7) Verification that all managers and staff are hired directly by the CDC OR a copy of all contracts for managing, marketing, packaging, processing, closing, servicing, or liquidation services. Include evidence of pre-approval of contracts by SBA and applicable Board resolutions.
- 8) Evidence that at least one loan officer has three years of 504 loan processing experience OR has two years' experience and has satisfactorily completed an SBA approved training in 504 processing.
- 9) Evidence that at least one loan officer has three years of 504 loan servicing experience OR has two years' experience and has satisfactorily completed an SBA approved training in 504 servicing.

ALP/PCLP Requirements Guide (Continued)

- 10) Copies of Quarterly Delinquency Reports submitted to the SBA Loan Servicing Center for the last quarter [§120.830(f)].
- 11) A narrative on the current status of the CDC's most recent risk-based review (SMART Review), if applicable.
- 12) A copy of the full policy binders for current Directors and Officers Liability and Errors and Omissions insurance as required in SOP 50 10 5(H) Subpart A Ch3.II.B.8.
- 13) List of Designated Attorneys, including contact information, name of state(s) licensed, training certificate, and professional liability insurance policy binder that specifies the attorney's name as being covered in the policy and meets the required coverage as per SOP 50 10 5 (H) Subpart A.Ch.3.V.B.3(c). If the CDC is multistate or has an LEA agreement, include verification that designated attorneys are licensed in each state represented.
- 14) Most recent list of Board, Loan Committee, and Executive Committee members, as applicable, including name, area of expertise, address and phone number of the entity represented or the member's personal address and telephone number (Template attached).
- 15) Copies of Board of Directors meeting minutes for each of the past four quarters [§120.823(c)].
- 16) A copy of the Engagement Letter from the CDC's Independent Auditor for the most recent Independent Audit or Review. This letter must provide SBA access to copies of work papers, policies, and procedures relating to the services performed [§120.826(d)(2)].
- 17) List and description of investments in other local economic development activities made in most recent fiscal year including the amount invested in each activity and the results/outcomes of those investments. If no investments were made, please explain why.
- 18) Evidence of meeting Loan Loss Reserve Fund requirements (For PCLP Renewals only).
- 19) Please note that during the process of reviewing your application and/or renewal request, you may be required to provide documentation of jobs created &/or retained from the small business borrower. SBA will select a random sample of five loans and request documentation that supports the jobs created &/or retained figures reported in your most recent Annual Report.