



**Disclaimer:** The Office of Financial Program Operations (OFPO) develops and distributes tools, such as this Loan action matrix, which are designed to make it easier for SBA lending partners to find and comply with Agency Loan Program Requirements. OFPO makes every effort to ensure that each tool is accurate at the time it is developed and updated whenever there is a relevant change. Use of these tools, however, is not a substitute for keeping up-to-date with SBA Loan Program Requirements or complying with them. In the event of a conflict between a tool relied upon by a Lender and the applicable Loan Program Requirement, the Loan Program Requirement will prevail.

**Please see the Footnotes at the end of this document. All Lender actions Must comply with SBA Loan Program Requirements.**

Lenders are required to use E-Tran Servicing for the actions indicated below and are required to notify the appropriate Loan Center for other actions. For actions that require Lenders to notify the SBA Loan Center, Lenders will receive a reply acknowledging that the notification was received. Actions submitted to the Center that do not require SBA notification or prior SBA approval will not receive an acknowledgment.

**Loan changes made in E-Tran servicing do not require the Lender to submit a separate notification to SBA.**

## Approved Loans Prior to Final Disbursement – See SOP 50 10

\*Revolving lines of credit are considered fully disbursed upon initial disbursement

**Prior to final disbursement,** Lenders Must submit actions that require SBA notification and requests for prior SBA approval to the Standard 7(a) Loan Processing Center (LGPC) in accordance with SOP 50 10.

Activity	Unilateral Action	Requires Prior SBA Approval
Changes to Loan approval provisions within Loan Program Requirements: <sup>22</sup> • Loans approved under delegated authority <sup>1</sup>	E-Tran Required	No
Changes to Loan approval provisions within Loan Program Requirements: <sup>22</sup> • Loans approved by the SBA 7(a) Loan Guaranty Processing Center (LGPC)	No	Yes
Increase or decrease Loan amount on Loans approved under delegated authority <sup>1</sup>	E-Tran Required	No
Increase or decrease Loan amount on Loans approved by LGPC	No	Yes
Change in SBA's Guaranty percentage	No	Yes
Change interest rate <u>prior</u> to initial disbursement <sup>2</sup>	E-Tran Required	No
Change interest rate <u>after</u> initial disbursement <sup>2</sup>	E-Tran Required	No
Change an obligor EIN or SSN for Loan approved under delegated authority <sup>17</sup>	E-Tran Required	No
Change Loan maturity date	E-Tran Required	No
Extend final disbursement date beyond 48 months from Loan approval date. <sup>20</sup>	No	Yes
Change Obligor's address or legal/trade name of business <sup>17</sup>	Notify Center	No
Cancel SBA Guaranty <u>prior</u> to initial disbursement	E-Tran Required	No
Cancel SBA Guaranty <u>after</u> initial disbursement <sup>7</sup>	E-Tran Required	No
Change the monthly payment amount (Lenders Should re-amortize Loans at least annually)	E-Tran Required	No
Change interest rate adjustment period	E-Tran Required	No
Change interest start date from date of Note to date of initial disbursement	E-Tran Required	No
Change the Borrower's name or address <sup>17</sup>	E-Tran Required	No
Add a Guarantor (all original SOP 50 10 Loan processing requirements apply) <sup>17</sup>	E-Tran Required	No
Change in the ownership of a Borrower prior to final disbursement <sup>17, 22</sup>	No	Yes
Reinstatement of SBA Guaranty	No	Yes



## Loans in Servicing & Liquidation (after final disbursement)

See SOP 50 57 and 13 CFR 120.535 and 120.536

**After final disbursement,** Lenders Must submit actions that require SBA notification and requests for prior SBA approval to the appropriate Commercial Loan Servicing Center (CLSC).

### SBA Approval Required

Activity	Unilateral Action	Requires Prior SBA Approval
Activity creating a real, apparent, or potential conflict of interest/ Confer a Preference <sup>3</sup>	No	Yes
Release Borrower or Guarantor <sup>21</sup>	No	Yes
Compromise principal balance owed <sup>4</sup>	No	Yes
Assumption of Loan in payment default with release of original Borrower / Guarantor <sup>21</sup>	No	Yes
Take title to any property in the name of SBA	No	Yes
Take title to Contaminated property, or take over operation or control of a business that handles Hazardous Substances or is located on Contaminated property.	No	Yes
Emergency guaranty purchase from the secondary market	No	Yes
Determination of involuntary prepayment / subsidy recoupment fee <sup>18</sup>	No	Yes
Reinstatement of SBA guaranty	No	Yes
Extraordinary servicing fee per 13 CFR 120.221(b)	No	Yes
Increase Loan amount on Loans approved by LGPC <sup>6</sup>	No	Yes
Transfer, sell or pledge more than 90% of a Loan	No	Yes
Change in the ownership of a Borrower in the first 12 months after final disbursement <sup>17, 22</sup>	No	Yes

### E-Tran Update or SBA Notification Required

Activity	Unilateral Action	Requires Prior SBA Approval
Transfer, sell or pledge 90% or less of a Loan	Notify Center	No
Decrease Loan approval amount or SBA's Guaranty percentage	Notify Center	No
Terminate SBA Guaranty <u>prior to</u> submitting a Universal Purchase Package <sup>7</sup>	E-Tran Required	No
Extend maturity prior to stated maturity date for Loans in regular servicing <sup>6</sup>	E-Tran Required	No
Extend maturity date prior to stated maturity date for Loans in liquidation	Notify Center	No
Change interest rate within Loan program guidelines <sup>2, 6</sup>	Notify Center	No
Change in Borrower's legal structure <sup>8, 17</sup>	Notify Center	No
Add a Guarantor to the Loan <sup>17</sup>	E-Tran Required	No
Correct or Change EIN or SSN <sup>8</sup>	Notify Center	No
Change Obligor's address or legal/trade name of business <sup>8, 14, 17</sup>	E-Tran Required	No
Assumption of Loan without release of original Borrower / Guarantor <sup>17</sup>	E-Tran Required	No
Transfer Loan into liquidation status <sup>7</sup>	E-Tran Required	No



Activity	Unilateral Action	Requires Prior SBA Approval
Return Loan to regular servicing status <sup>13</sup>	Notify Center	No
Change a Loan to PIF status <sup>7</sup>	E-Tran Required	No
Increase Loan amount on Loans approved under delegated authority <sup>6</sup>	E-Tran Required	No
Change Loan from revolving to non-revolving	E-Tran Required	No

## No Notification Required

Activity	Unilateral Action	Requires Prior SBA Approval
Subordinate / release lien <sup>3</sup>	No Notification Required	No
Defer payments <sup>3, 6</sup>	No Notification Required	No
Release / substitute collateral <sup>3</sup>	No Notification Required	No
Accept prepayments (subsidy recoupment fee may apply) <sup>7</sup>	No Notification Required	No
Changes to Loan Authorization, including changes to use of proceeds <sup>17, 19, 22</sup>	E-Tran Required	No
Correct typographical errors in Loan Documents	No Notification Required	No
Make loan that does not adversely affect collateral position of SBA guaranteed Loan	No Notification Required	No
Change flood, life or hazard insurance requirements <sup>9</sup>	No Notification Required	No

## Liquidation Actions <sup>5</sup>

Activity	Unilateral Action	Requires Prior SBA Approval
Liquidation Plans and amendments for Loans approved under CLP procedures (Liquidation Plans are encouraged for other Loans as an aid to recovery)	No	Yes
Sale of collateral or acquired collateral to the Lender, an Associate of Lender, employee of Lender or Close Relative of an employee of the Lender	No	Yes
Private sale of collateral or acquired collateral to an Obligor, or Close Relative or Associate of an Obligor	No	Yes
Appoint a receiver	No	Yes
Continue liquidation actions for more than 24 months past date of guaranty purchase <sup>16</sup>	No	Yes
Public, private or negotiated sale of collateral (other than those sales referenced above) <sup>3</sup>	No Notification Required	No
Initiate foreclosure proceeding <sup>10</sup>	No Notification Required	No



Activity	Unilateral Action	Requires Prior SBA Approval
Obtain Phase I or Phase II Environmental Site Assessment (for acquisition of property or other reason)	No Notification Required	No
Deed in lieu of foreclosure that will not prevent recovery from Borrower/Guarantors	No Notification Required	No
Protective Bid at foreclosure sale	No Notification Required	No
Purchase or pay prior lien <sup>3</sup>	No Notification Required	No
Site visit	No Notification Required	No
Obtain current Appraisal	No Notification Required	No
Pay real estate taxes	No Notification Required	No
Hire auctioneer or appraiser <sup>3</sup>	No Notification Required	No
Postpone liquidation action if necessary <sup>16</sup>	No Notification Required	No
Abandon collateral when justified	No Notification Required	No
Terminate SBA Guaranty after submission of Universal Purchase Package <sup>7</sup>	Notify Center	No

### Litigation Actions

Activity	Unilateral Action	Requires Prior SBA Approval
Litigation Plan and budget (for Routine Litigation <sup>11</sup> and Litigation Expenses under \$10,000)	No Notification Required	
Litigation Plan and budget (if Debt Collection Litigation Expenses exceed \$10,000 or other Non-Routine Litigation <sup>12</sup> ; or if Routine Litigation becomes non-routine)	No	Yes
Amendments to Litigation Plans where material changes arise that were not addressed in the original plan	No	Yes
Any amendments to an approved Litigation Plan if fees increase by more than 15%	No	Yes

### Guaranty Fees

**After initial disbursement, Lenders Must pay the additional guaranty fee associated with any increase to the Loan amount or extension of the maturity date to SBA, regardless of whether the Loan increase or extension of maturity is subsequently canceled.** For Loans approved under delegated authority, the requested Loan increase or extension of maturity date in E-Tran for Loans in regular servicing status, constitutes SBA's prior consent. Lenders are reminded to remit guaranty fees to SBA using [www.pay.gov](http://www.pay.gov). If a servicing action requires a Lender to pay a fee to SBA, such as for an increase to the Loan amount or an extension to the Loan maturity date, the fee is due within 30 days of SBA approval or the Lender's change in E-Tran. If the maturity date for a short term Loan is extended to more than 12 months, an additional guaranty fee is owed or the Lender Must submit an explanation to the appropriate CLSC indicating that the extension is solely for the purpose of ensuring the orderly repayment of the Loan (subject to SBA concurrence).



### Lender Documentation

Lenders Must document the business reason and justification for their decisions and retain these and supporting documents in their Loan File for future SBA review to determine if the actions taken were prudent, commercially reasonable (consistent with generally accepted commercial lending practices) and complied with applicable Loan Program Requirements.

### Lender Reporting after Guaranty Purchase (Liquidation Status Reports)

Lenders Must submit a Loan status report within 15 business days of SBA guaranty purchase from the secondary market. The report Should address the status of the Borrower, Guarantors, collateral, workout or restructuring plans, and liquidation activities including the sale of collateral, foreclosures and litigation. The Lender's report Should also include the documentation needed for SBA to conduct a post-purchase review.

For all Loans that SBA has Purchased, either from the secondary market or directly from the Lender, Lenders Should provide the appropriate SBA Loan Center with a written status report every 6 months, starting 6 months from the date of guaranty purchase, until the Loan is paid in full or the Lender submits a Wrap-up Report acceptable to SBA. Lenders Must submit a Wrap-up Report for each Loan once all collection and liquidation requirements are satisfied and further recovery actions are not cost-effective.

[SBA Charge Off Tabs/Wrap-Up Report](#)

### Need Help?

Lenders may contact their District Office Lender Relations Specialists or Brand Managers if they have questions regarding the use of this matrix.

For Approved Loans Prior to Final Disbursement, Lenders Should submit their Servicing Requests and questions to the Loan Guaranty Processing Center at: [7aLoanMod@sba.gov](mailto:7aLoanMod@sba.gov) After Final Disbursement, Lenders Should submit Guaranty Purchase and Servicing Requests for Loans in Liquidation in excess of \$500,000 per project to the following NGPC email addresses:

### National Guaranty Purchase Center

- General liquidation actions and questions: [loanresolution@sba.gov](mailto:loanresolution@sba.gov)
- Expense reimbursement submission and questions: [sbacpc@sba.gov](mailto:sbacpc@sba.gov)
- Wrap up submission and questions: [sbachargeoff@sba.gov](mailto:sbachargeoff@sba.gov)
- General guaranty purchase questions: [sbaPurchase@sba.gov](mailto:sbaPurchase@sba.gov)
- Questions regarding in process Purchases: [Purchasestatus@sba.gov](mailto:Purchasestatus@sba.gov)
- Secondary market questions: [secondarymarketliq@sba.gov](mailto:secondarymarketliq@sba.gov)

Please visit the [National Guaranty Purchase Center Website](#) for Liquidation and guaranty purchase (non-SBAExpress) related questions for Loans in excess of \$500,000 per project.

### Commercial Loan Service Centers

Lenders Should submit Servicing Requests for all Loans and guaranty purchase requests for Loans of \$500,000 or less per project to the appropriate [Commercial Loan Service Center](#):

Fresno Commercial Loan Service Center	Little Rock Commercial Loan Service Center
<ul style="list-style-type: none"><li>• Universal Purchase Package &amp; questions - <a href="mailto:fsc.purchasing@sba.gov">fsc.purchasing@sba.gov</a></li><li>• General liquidation actions and questions - <a href="mailto:fsc.purchasing@sba.gov">fsc.purchasing@sba.gov</a></li><li>• Questions regarding Servicing - <a href="mailto:fsc.servicing@sba.gov">fsc.servicing@sba.gov</a></li><li>• Charge Off/OIC submission and questions - <a href="mailto:fsc.postservicing@sba.gov">fsc.postservicing@sba.gov</a></li></ul>	<ul style="list-style-type: none"><li>• Universal Purchase Package &amp; questions - <a href="mailto:LRSC.ExpressPurchase@sba.gov">LRSC.ExpressPurchase@sba.gov</a></li><li>• General liquidation actions and questions - <a href="mailto:LRSC.ExpressPurchase@sba.gov">LRSC.ExpressPurchase@sba.gov</a></li><li>• Questions regarding Servicing - <a href="mailto:LRSC.servicing@sba.gov">LRSC.servicing@sba.gov</a></li><li>• Charge Off/OIC submission and questions - <a href="mailto:LRSC.postservicing@sba.gov">LRSC.postservicing@sba.gov</a></li></ul>



### Footnotes

1. Effective May 12, 2023, SBA will rely on the terms and conditions of the Loan application submitted by the SBA Lender in E-Tran, including any modifications. Lenders Must upload all documents related to the Loan application through E-Tran. SBA Loan closing requirements are the same for delegated and non-delegated Loans. The same forms are required and Lenders Must retain all documents in the Lender's Loan File. Loan increases are subject to the maximum loan amount allowed based on SOP 50 10 in effect at the time of loan approval.
2. SBA defines a fixed rate Loan as one that bears the same interest rate for the entire term of the Loan. After Loan approval, the Lender may change the initial Note rate, including the base rate or the spread over the base rate; or from a fixed to variable or variable to fixed rate, provided the new interest rate does not exceed the maximum allowable interest rate at the time of the Loan application. The Lender Must obtain the Borrower's written agreement and Must notify the LGPC or appropriate CLSC of the change or, if prior to disbursement, make the change through E-Tran servicing. If SBA changes the permissible maximum interest rates for a specific 7(a) program, the new rates apply only to Loans approved on or after the effective date of the change.
3. Lenders are reminded not to engage in any action that could create a Preference. (See definition in 13 CFR 120.10 - "Preference is any arrangement giving a Lender or a CDC a preferred position compared to SBA relating to the making, servicing, or liquidation of a business loan with respect to such things as repayment, collateral, guarantees, control, maintenance of a compensating balance, purchase of a certificate of deposit or acceptance of a separate or companion loan, without SBA's consent.") Lender actions in connection with a non-monetary default on a non-SBA loan that adversely affect an SBA guaranteed Loan to the same Borrower can cause preference concerns. See Chapter 8 of SOP 50 57 for subordination, release and substitution of collateral
4. Compromising accrued interest on an SBA Loan does not require prior SBA approval.
5. Lenders Must submit a request for guaranty purchase within 180 days after Loan maturity or completion of liquidation/litigation actions, to avoid a release of SBA's liability for its Guaranty.
6. For Loans that a Lender has sold in the secondary market, any payment modifications, change to the Loan amount, interest rate changes, extensions of maturity and deferments over 90 days (cumulative) Must have investor approval. Lenders Should send these Servicing Requests directly to the FTA and submit subsequent notification and evidence of investor approval to the appropriate CLSC. Loan increases are subject to the maximum Loan amount allowed based on SOP 50 10 in effect at the time of Loan approval.
7. Lenders Must transfer a Loan to liquidation status in E-Tran prior to submitting their guaranty purchase request for the Loan. Lenders are obligated to pay the SBA annual service fee for every approved Loan until the Lender cancels the guaranty in E-Tran or submits a demand for guaranty purchase with a complete guaranty purchase package acceptable to SBA, per SOP 50 57 Ch.24. Par.C. Lenders may also use E-Tran to correct 1502 reporting errors. If a permitted change is made in E-Tran, Lenders Should not submit a duplicate notice of the change to a CLSC. If a Lender decides to terminate an SBA guaranty after submitting a guaranty purchase request, the Lender Must notify the appropriate SBA Loan Center. After guaranty purchase, Lenders Must use pay.gov (SBA Form 172) to remit SBA's share of any recovery or payment, including payments that result in PIF. A subsidy recoupment fee (SRF) is payable to SBA for Loans with a maturity of 15 years or more that are voluntarily pre-paid by more than 25% of the highest outstanding principal balance during any one of the first three successive 12-month periods following Loan disbursement, per 13 CFR 120.223. The Borrower is responsible for paying the SRF that the FTA will bill to the Lender when applicable.
8. Lenders Must notify SBA of any change to a Borrower's legal structure that results in a change to the EIN or SSN of any Obligor. Prior owners of a business may not re-acquire an ownership interest in the business if SBA financing used to purchase the business from the prior owner(s) remains outstanding.
9. Effective May 11, 2023, for 7(a) Loans greater than \$500,000, SBA requires hazard insurance on all assets pledged as collateral (13 CFR 120.160). For 7(a) Loans of \$500,000 or less, SBA requires hazard insurance for all real estate acquired, refinanced, or improved with the proceeds of a 7(a) SBA Loan. For 7(a) Loans for non-real estate collateral, SBA requires hazard insurance in accordance with the SBA Lender's hazard insurance policies for their similarly-sized non-SBA guaranteed commercial loans. See SOP 50 57 for guidance on life and flood insurance changes.
10. Lenders Must submit a Litigation Plan to the appropriate CLSC for SBA's written approval prior to commencing Non-routine foreclosure actions, including estimated Debt Collection Litigation Expenses that are expected to exceed \$10,000. (See Chapter 22 of SOP 50 57 for additional guidance.)
11. Routine Litigation means uncontested litigation (such as non-adversarial matters in bankruptcy and undisputed foreclosure actions) having estimated Debt Collection Litigation Expenses less than \$10,000. If a Lender expects Debt Collection Litigation Expenses to exceed \$10,000, or for Non-Routine issues that arise, the Lender Must provide SBA with an amended Litigation Plan via the [loanresolution@sba.gov](mailto:loanresolution@sba.gov) in-box for Herndon, [fsc.purchasing@sba.gov](mailto:fsc.purchasing@sba.gov) for Fresno, or [LRSC.ExpressPurchase@sba.gov](mailto:LRSC.ExpressPurchase@sba.gov) for Little Rock. Lenders Should also refer to the additional litigation requirements listed in SBA's regulations at 13 CFR 120.540, and lenders are cautioned not to incur legal fees or other costs on Loans where recoveries are not reasonably expected to cover such costs.
12. Per 13 C.F.R. §120.540(c)(1), Non-Routine Litigation includes:
  - (1) All litigation where factual or legal issues are in dispute and require resolution through adjudication
  - (2) Any litigation where legal fees are estimated to exceed \$10,000
  - (3) Any litigation involving a loan where a lender has an actual or potential conflict of interest with SBA



- (4) Any litigation involving a 7(a) loan where the lender has made a separate loan to the same Borrower which is not a 7(a) loan.
13. Prior to guaranty purchase, Lenders Should remove 7(a) Loans from liquidation and return them to regular servicing status in E-Tran when the borrower has executed a written agreement that provides for the resumption of regular payments. After guaranty purchase, Lenders Must submit a copy of the executed workout or payment modification agreement to the appropriate SBA Loan Center, along with their request for the SBA Loan Center to change the Loan to regular servicing status.
  14. Lenders Must contact the appropriate SBA Loan Center for any name changes involving Borrowers with 7(a) Loans from multiple Lenders, as Lenders cannot perform this action in E-Tran.
  15. Lenders Must refer to the SOP 50 10 in effect at the time of Loan approval for guidance on maximum SBA guaranties, Loan amounts, and interest rates. If SBA changes the permissible maximum interest rate, guaranty percentage, or Loan amount, those new guidelines apply only to Loans approved on or after the effective date of the change.
  16. Lenders Must provide sufficient evidence of the resolution of all SBA purchased Loans within 24 months of purchase - unless SBA approves a written extension prior to the expiration of the applicable 24 month period. SBA reviews all extension requests on a case by case basis to evaluate the existence of extenuating circumstances that could warrant an extension, including judicial foreclosure and protracted bankruptcy proceedings. See SOP 50 57 Chapter 24, Paragraph F for additional guidance on the submission of extension requests.
  17. Lenders may not unilaterally approve any adjustment to or change in the ownership of a Borrower, including a change in percentage of ownership, for 12 months after final disbursement on any Loan. In order to obtain SBA's prior approval on requests for changes of ownership, all Lenders Must submit a request to the LGPC. The request must include the reason for the request, details of the requested action, and supporting documentation along with the Lender's recommendation.
  18. The application of eminent domain condemnation proceeds and life insurance proceeds are not considered a voluntary Loan prepayment, and a subsidy recoupment fee is not required.
  19. Loan Authorizations are not required for Loans approved after 8/1/2023.
  20. No notification is required to extend the final disbursement of a Loan for up to 48 months from Loan approval date.
  21. Release of Obligors in Loan assumption transactions, for Loans that are not in payment default or liquidation, does not require SBA's prior written approval.
  22. For Loans approved under non-delegated authority, Lenders must submit requests to change the use of Loan proceeds to LGPC for review, if such requests will change the purpose of the Loan, adversely impact the factors used to determine repayment ability, or require a decrease in Loan maturity. Otherwise, Lenders must update the Loan terms and conditions in E-Tran. Prior to and for 12-months after final disbursement, all Lenders must submit requests for changes to the ownership of a Borrower, including percentage of ownership, to LGPC. If approved, LGPC will enter the change in E-Tran after verifying that the proposed ownership change complies with the maximum Loan amount to the Borrower, including affiliates, and that no prior loss to the government has been caused by the new owner(s) or any business owned, operated, or controlled by the new owner(s). LGPC will limit its review to these specific issues and delegated Lenders remain responsible for all loan decisions regarding creditworthiness. Delegated Lenders are also responsible for confirming that all loan closing decisions are correct, and that they have complied with all SBA Loan Program Requirements.