

PARRiS Review

Virtual Loan File Review Guide

This page and the following Tab pages were designed to help you assemble the loan files that were selected for review as part of a PARRiS Targeted Review. The files will be reviewed to assess your institution's loan file activities. For the purpose of this review, origination activities are considered to be those actions that occur between receipt of a loan application and the loan funding. Please ensure that all documents are clearly labeled. If possible, please insert bookmarks to facilitate the review team being able to locate the documents.

As you create the individual files for each loan using the tabs, it would be helpful to use the following naming nomenclature for each file:

- "Loan 1, Borrower Name, SBA Loan Number";
- "Loan 2, Borrower Name, SBA Loan Number"; and so forth for the entire sample.

Please place all individual loan files into one folder (the loans should remain as individual documents within this folder) and upload (click and drag) the master file to DebtX in the same location stated in the PARRiS Targeted Review Notification Letter. If done correctly, DebtX should contain one loan file that when opened contains individual files for each sampled loan.

We have provided your institution **10 business days** to prepare and upload these documents. Thank you for your cooperation and attention to this matter.

File for Review

Borrower Name	
SBA Loan Number	
Delivery Method	

For any loans in the sample that have companion loans (includes both SBA guaranteed and non-SBA guaranteed loans originated by the same lender to the same borrower), please provide the loan numbers for the additional loans and advise whether or not the specific loans have a SBA guaranty.

Borrower Name	Loan Number	SBA Guaranty?

Eligibility

- Loan Application
- Business organization documents (i.e. Articles of Incorporation, etc.) and copy of Business license.
- SBA Form 1919 and Form 1920 and any supporting documentation to these forms
- Prior Loss to the Government
 - Documentation to support the searches were conducted (ETran/CAIVRS) and waiver obtained, if applicable.

Underwriting

- Credit Memorandum
- Equity Requirements - Amount and Source
 - Bank Statements
 - Invoices
- If Standby debt, supporting documentation
 - SBA Form 155 (Standby Agreement) and
 - Promissory Note
- Business Tax Returns
 - For loans greater than \$350.0M, please provide three years
 - Also required for affiliates.
- Business Financial Statements (to include interim)
- Projections
- Personal Financial Statements (SBA Form 413 or lender's own form) – for all Guarantors and Principals
- Personal Tax Returns
- Credit Bureau Scores (Personal and Business)
- Appraisals / Business Valuations
- Environmental Documentation (Questionnaire, Phase 1, etc)
- Certificate of Good Standing
- Evidence of Agent Verification on www.sam.gov
- IRS Form 4506-T and copy of tax transcripts
- Assignment of Lease and Landlord's Waiver
- Site Visit
- The following supporting documentation as applicable:
 - Debt Refinancing
 - Documentation to support eligibility
 - Change of Ownership
 - EPC/OC
 - Copy of the lease and assignment of the lease
 - Detailed list of machinery and equipment to be purchased with loan proceeds and cost quotes
 - Copy of purchase agreement

Closing

- Loan Authorization
- Child Support certification, if application
- Promissory Note (SBA Form 147)
- Guaranty Agreements (SBA Form 148 or equivalent lender form)
- Security Agreement (use of SBA Form 1059 is optional)
- UCC Lien Search
 - Pre and post funding
- Title Search
 - Title Insurance
 - Recorded Deeds of Trust/Mortgages
- Insurance
 - Property
 - Life
 - Flood Determination
- Settlement Sheet (SBA Form 1050)
 - Documentation evidencing compliance with the Use of Proceeds section of the Authorization (such as joint payee checks, cancelled checks, paid receipts or invoices, wire transfer account records, etc.)
 - Additional documentation, as necessary, that contains sufficient detail to determine: (i) the recipient of each disbursement (Note: must show the ultimate recipient, not an intermediary such as a title company); (ii) the date and amount of each disbursement; and (iii) the purpose of each disbursement
 - An itemized closing statement that includes all fees charge, fees to be charged, or fees received in connection with the making of this loan.
 - Along with closing statement (e.g. HUD-1 form) and supporting documentation such as: Certificate of Ownership and/or Certificate of Title of Vehicles or Manufactured Homes, Assignment of CDs of Stock, Assignment of Life Insurance, Landlord's Subordination, Lease Agreement, and cancelled checks/wire confirmations.
- Secondary Guaranty Participation Agreement (SBA Form 1086 for loans sold on secondary market)
- Agreement of Compliance (SBA Form 601)
- SBA Form 159 (if applicable)
 - Email to Colson evidencing Form 159 was provided
- Evidence that the Lender confirmed agent was not listed on the debarred list and/or cleared name discrepancies.
- Evidence of Guaranty Fee payment

Secondary Market

- Copy of the Bid package that was sent to investors
- Approval of the accepted Bid and all correspondence between Investor and Lender
- Copy of most recent 1502 Report showing the reporting of the loan payment
- List of individuals approved to accept Bids
- List of approved investors
- If under Regulatory Order, provide evidence that SBA approved the loan for sale on the secondary market
- Servicing checklist items (if applicable), to include the following:
 - Evidence of Loan Modifications
 - Evidence of loan actions taken that required SBA prior approval (i.e. release of collateral or guarantors)
 - Updated financial information received (Business and Personal)
 - Annual Reviews /Risk rating changes
 - Evidence of current insurance and real estate taxes and assessments
 - Evidence of renewed UCC, if applicable
 - Site Visit documentation (if required)
 - Copies of material correspondence/emails with borrower
 - Evidence that loan was properly reported on the last two 1502 reports
 - Loan Transcript