

Accredited Lenders Program (ALP) / Premier Certified Lenders Program (PCLP) Application and Renewal Requirements Guide – Guidance 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. This Guide is intended to supplement the applicable SBA rules, regulations and policies, not to replace 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.

New ALP/PCLP applicants should include a copy of the Board resolution authorizing the application for ALP/PCLP designation, a copy of the CDC By-laws and any amendments, in addition to the items below required for ALP/PCLP renewal.

The CDC's ALP/PCLP Renewal Request should include the following documentation

- 1) Evidence that the CDC has met the required loan volume [§120.841(b)].
- 2) Copy of the CDC's most current loan policy [§120.823(e)14].
- 3) Comments from the CDC on any outstanding issues on the CDC's most current **CDC Management Report** including:
 - a) Any loans in the "90 day or more past due" category or in the "Catch-Up" category
 - b) Any past due Annual Reports
- 4) A copy of the most recent 60 days delinquent report.
- 5) Comments from the CDC on the underperformance of any of the following rating components compared to its peer group that is published in the CDC's current quarter Lender Portal:
 - a) Past Due Rate
 - b) Liquidation Rate
 - c) Past 12 Mo. Active Purchase Rate
 - d) SBPS Score Avg.
 - e) Risk Rating
- 6) A copy of the CDC's internal control policy (13 CFR 120.826(b)) with confirmation that it was approved by the Board. This should include copies of the Independent Loan Review (ILR) Report, Responses to the ILR, and Board minutes evidencing the Board reviewed the ILR Report and Responses.
- 7) A copy of the organization chart with a description of each staff's responsibilities.
- 8) A copy of the contract for staff and management, if applicable, and the Board of Directors (BOD) resolution must be provided (if applicable).
- 9) Evidence of SBA approval of CDC's contract with an outside contractor for managing, marketing, packaging, processing, closing, servicing or liquidation (if applicable).
- 10) A copy of the engagement letter from the CPA firm that conducted the most recent annual audit. The letter should provide access to SBA with copies of work papers, policies, and procedures relating to the services performed, as per 13. C.F.R 120.826(d)(2).
- 11) Evidence of the Directors and Officers and Errors and Omissions current liability insurance policies – the **full policy binders** including Certificates of Insurance with liability coverage in compliance with SOP 50 10 5G and SBA Information Notice 5000-1341 CDC Insurance Requirements.

ALP/PCLP Requirements Guide (Continued)

- 12) Verification of the designated attorney's current malpractice insurance – the **full policy binder** including a Certificate of Insurance reflecting limits of at least \$1,000,000/\$1,000,000 liability coverage and a deductible (retention) not to exceed:
 - a) \$20,000 for individuals and firms with 3 or fewer attorneys,
 - b) \$50,000 for law firms with more than 3 attorneys, or
 - c) \$100,000 for large law firms with more than 25 attorneys.

The certificate must either contain the name of the designated attorney or provide it in an attachment. [§120.841(e), SOP 50 10 5G]. If CDC is multistate or has a LEA expansion, include verification that designated attorneys are licensed in each state represented.

- 13) Verification that the attorney's designated status is current (If not, attach an explanation).
- 14) Current Board of Directors, including for each director, the name of the entity each represents, the area of expertise according to 13. C.F.R 120.823, address and phone number, and position on the Board.
- 15) Copies of Board of Directors meeting minutes for each of the past four quarters.
- 16) Current listing of the Executive Committee, if applicable, identified by the required field of expertise to include the name of the entity they represent and the address.
- 17) Current Loan Committee Members, including the entity each represents, the area of expertise, address and phone number, and their number of years' experience in commercial lending.
- 18) Resume(s) for loan officer(s) providing evidence that at least one loan officer has three years of 504 loan processing experience and at least one loan officer has three years of 504 servicing experience.