



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

December 13, 2012

The Honorable Richard M. Burr
United States Senator
2000 West First Street, Suite 508
Winston Salem, North Carolina 27104

Dear Senator Burr:

Thank you for your recent inquiry on behalf of the Region E Development Corporation (REDC) regarding its concern with possible decertification as a U.S. Small Business Administration (SBA) Certified Development Company (CDC).

SBA regulation located in 13 Code of Federal Regulations (CFR) §120.826 details the basic requirements for operating a CDC. Additionally 13CFR§120.828 requires a CDC to receive SBA approval of at least four 504 loan approvals during two consecutive fiscal years. Additionally, these requirements do not provide a waiver or any other form of mitigation from compliance. However, notwithstanding, the issues of non-compliance cited in REDC's letter, the Agency has not initiated any action to decertify this CDC. Any such action would be initiated by SBA's Office of Credit Risk Management (ORCM). If REDC officials have any questions regarding this matter, they may contact Ms. Debra Mayer, OCRM Deputy Director, at (202) 205-7577.

We appreciate your support of the North Carolina small business community. If you and your staff have any further questions, please contact the SBA Office of Congressional Affairs at (202) 205-6700.

Sincerely,

Grady B. Hedgespeth
Director
Office of Financial Assistance

cc: Debra Mayer, OCRM