



## U.S. SMALL BUSINESS ADMINISTRATION

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**TO:** A. B. McConnell, Jr. Chief, 504 Loan Program Branch

**THRU:** John Doe, District Director

**THRU:** Jane Doe, District Counsel

**FROM:** John Smith, Lender Relations Specialist

**DATE:** May 44, 2008

**SUBJECT:** Blank Certified Development Corporations (BCDC) Annual Review

**CDC:** Blank Certified Development Corporation  
123 Any Street, Suite 500  
Sometown, KT 00000  
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Email: [info@blankcdc.com](mailto:info@blankcdc.com)

**Staff:**

Executive Director	Name
Marketing principal	Name
Packaging Principal	Name
Servicing Principal	Name

John Smith replaces Samantha Smith who has left the CDC.

### CDC Operations:

- A. Program activity (CDC Fiscal Year)
- |    |  |                     |
|----|--|---------------------|
| 1. | How many 504 loans were approved   | 00                  |
| 2. | How many 504 loans were closed   | 00                  |
| 3. | How many jobs are anticipated to be created or retained for projects closed in the last two years.                                   | 0,000               |
|    | What is the average debenture investment per job?  | \$00,000            |
| 4. | Did the CDC package other in SBA loans, how many?  | 0 Microloans        |
| 5. | Did the CDC package non-SBA loans, how many?   | 0 Rural Development |
| 6. | Did any of the CDC's 504 loans become delinquent by two or more payments, how many?  | 0                   |
| 7. | Did the CDC initiate servicing actions and informing SBA of problems, status and actions?  | Yes, Fresno CLSC    |
| 8. | Did the CDC follow up with this problem loans and document efforts towards workout, deferment or assumption in cooperation with SBA? | Yes, Fresno CLSC    |

**B. CDC Organization**

- 1. If CDC staff changes were made, were you provided copies of SBA 1081, fingerprint card and résumé? Yes
- 2. Has the CDC reported changes in the membership of its board of Directors and general membership? No changes
- 3. Are there any indications of control being vested in a small group which might impair the CDC? None

**C. CDC Financial Capability**

- 1. Are CDC financial statements in accordance with GAAP? Yes, a full audit
- 2. Are current year revenues and expenses consistent with those for prior years? Yes
  - a. If the CDC lost revenue from one source, what was the source? NA
- 3. Do they indicate that the CDC has financial capability to market, package and service the loans? Yes
- 4. Have any legal actions been filed were taken against the CDC? No

**D. CDC Reports**

- 1. Was a CDC annual report filed in a timely manner? Yes

**E. CDC Contracts for Professional Services (Notice 5000-787)**

- 1. Does the CDC contract for professional services? Yes
- 2. Was the contract submitted with the Annual Report? Yes
- 3. Did the Field Office review the contract? Yes
- 4. Is the contract in compliance with SBA's rules and regulations? Yes

**Overall Rating of CDC**

**A.** All CDC applications are submitted to the Sacramento Center and they report: The applications submitted by Blank Certified Development Company are generally complete. They are also of sound credit quality and within SBA's eligibility rules. Their analysis of the packages is good. They appear to be knowledgeable in both packaging of the loan and eligibility issues. Terry Bellmore, 504 Finance Manager, Sacramento Loan Processing Center 916-930-2475.

A review of their application procedures indicated they are using industry developed software that generates appropriate SBA forms as well as credit comment and ratio analyses.

**B. Closing Documents** District legal staff working with the Blank CDC report a good experience with the CDC as well as the attorney involved. There very few if any deficiencies.

**C. Servicing Actions** Gary Wamhoff with the Fresno Commercial Loan Servicing Center reports the following:

They do a good job, I wouldn't have an objection to a renewal of their ALP status. As an existing ALP, they have historically utilized their delegated unilateral servicing authority in a prudent manner. They do a good job with supporting documentation (i.e., preparation of subordination agreements, etc). The CDC is quick to call or e-mail with unusual scenarios. I see that they have "passed" all of the risk management benchmarks on their "at a glance" report.

- D. **Documentation Servicing Actions** Jane Doe is the staff member primarily involved with servicing actions. She has provided a listing of how their subsequent case files are organized with sufficient documentation for all aspects of the loan making, servicing and closing processes.
- E. Existing staff is knowledgeable and capable to handle the functions necessary for a successful CDC. I would rate them as very good.

**Comments** Jane Doe is staff member involved in servicing also is being cross trained for loan origination work. John Smith is relatively new to the staff and primarily involved in loan origination. He will be cross trained also in the servicing aspects of the CDC operations.

**Problem Situations**

- A. Have written comments been attached to this review? See the attached audit and annual report.
- B. Has this review and comments been discussed with the CDC? The Board of Directors has requested a copy and it will be shared with them.
- C. Do you recommend that the CDC be decertified? No

Based on the above information Blank CDC is compliant with terms of the SBA 504 loan program and its administration.