

Care and Preservation of Collateral (CPC) Tabs

Requirements

In order for SBA to process your request for reimbursement of expenses the following tabs must be completed. Please be sure to complete all information requested and provided the supporting documentation as noted.

Recoverable Expenses are SBA approved, necessary, reasonable, and customary costs incurred to collect amounts due under the Note, to enforce the terms of the Loan Documents, or to preserve or dispose of collateral, which according to the terms of the Note can be added to the principal balance of the loan.

Non-Recoverable Expenses are the costs associated with the liquidation or litigation of an SBA Loan that cannot be added to the principal balance of the Note because, for example, the costs are not related to collection of amounts due under the Note, enforcement of the terms of the Loan Documents, preservation or disposal of the collateral for the loan; were not necessary, reasonable or customary; or were not incurred in accordance with prudent lending practices or Loan Program Requirements.

SBA requires copies of detailed invoices to support all reimbursements and expenses deducted from liquidation proceeds. Copies of invoices should clearly identify what service was provided, date of service, by whom, at what location (at the Commercial or Residential Real Estate or other site) and the costs involved. SBA will not be able to reimburse expenses using Lender's internal memos, spreadsheets, accounting records, or other internal documents. Lenders must submit actual invoices on vendor/service provider letterhead detailing service location, service provided, and billing total.

NOTE: Please limit expense reimbursement requests to quarterly or \$5000 or more.

Please be sure to explain any unusual services or unusually high fees or expenses. If you are reimbursed for expenses that are then refunded by the vendor, please be sure to refund SBA's share to SBA.

The attached tabs have been provided to facilitate an efficient process to review and process requests for reimbursements. If more space is needed to provide information, please attach additional sheets.

TAB 1	CPC Information Sheet
TAB 2	Collateral Worksheet
TAB 3	Recovery Documentation
TAB 4	Legal Fees
TAB 5	Valuations
TAB 6	Asset/Lien Searches
TAB 7a	Preservation of Collateral Expenses
TAB 7b	Miscellaneous Expenses

Submit Electronically: [Send This File](#)

(Select 'sbacpc@sba.gov' as recipient)

Fax: (202) 481-4599

Mail: U.S. Small Business Administration

Attn: CPC Department

1145 Herndon Parkway

Herndon, VA 20170

CPC Expense Reimbursement Information Sheet

1

Lender Name:

Borrower Name:

SBA Loan Number:

1. REQUEST (Please only include expenses that have not previously been submitted):

* All expenses should be noted in terms of the gross amount.

Total Expenses Incurred for this Request		
Amount of Expenses Deducted from Recoveries	-	
Total Amount of Requested Reimbursement	=	

Is this a reconsideration request for a prior CPC reimbursement? Yes No

Note: Reconsideration requests must also have tabs filled out completely and must not contain information previously submitted. An explanation as to why reconsideration is being requested must be provided.

2. Transcript of Account - SBA Form 1149:

Please attach an updated transcript of account

3. Does this request include real estate taxes? Yes No

Were they deducted from the sale proceeds? Yes No

4. Global Certification:

I, _____, hereby certify, represent and warrant on behalf of _____ that all information and documentation submitted to the U.S. Small Business Administration in connection with this CPC expense reimbursement package package is accurate, genuine and complete and contains true copies of _____'s records for this loan. I further certify that I have personally reviewed and confirmed, based upon _____'s records, the copy of _____'s Transcript of Account with respect to this loan provided herewith and that to the best of my knowledge and belief the information contained therein is true and accurate. I also certify to the best of my knowledge and belief that _____ has materially complied with the SBA Loan Program Requirements (as defined in 13 CFR 120.10) applicable to this loan.

By signing below, I represent and warrant that I have the proper authority to execute this document on behalf of _____

Signature: _____ Date: _____

1

5. Companion Loans:

CPC expenses related to an SBA companion loan must be submitted in a separate CPC reimbursement request.

Please record all SBA Companion Loan Number(s)

Please record all non-SBA Companion Loan Number(s)

6. Comments of Lender:

If you have additional information that you would like the loan specialist reviewing your request to have, please attach a statement behind this tab. Be sure to include justification for cases where expenses exceed the amount of recovery. If expenses were incurred prior to default provide an explanation as to why.

7. Lender Contact Information:

Contact Name:

Mailing Address:

Email Address:

Phone Number: Fax:

Lender Tax Identification Number:

***do not leave blank**

1. Status of Liquidation and Collateral:

Please attach an updated status on all liquidation efforts and collateral.

2. Shared Collateral and/or Guarantors:

Please provide a list of all shared collateral and/or Guarantors.

Of the expenses you are seeking reimbursement for, are any of them shared with any other loan? Yes No

If Yes, please provide an explanation and any relevant documentation

Has an Offer in Compromise (OIC) been made? Yes No

Collateral Worksheet

	Collateral	Lien Position Per Loan Authorization	Current Lien Position	Remaining	Liquidated	Substituted	Abandoned
1				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Guarantor Worksheet

	Guarantor Per Loan Authorization	Remaining	Released
1		<input type="checkbox"/>	<input type="checkbox"/>
2		<input type="checkbox"/>	<input type="checkbox"/>
3		<input type="checkbox"/>	<input type="checkbox"/>
4		<input type="checkbox"/>	<input type="checkbox"/>
5		<input type="checkbox"/>	<input type="checkbox"/>
6		<input type="checkbox"/>	<input type="checkbox"/>
7		<input type="checkbox"/>	<input type="checkbox"/>
8		<input type="checkbox"/>	<input type="checkbox"/>
9		<input type="checkbox"/>	<input type="checkbox"/>

Have any expenses been withheld from recovery? Yes No

Please summarize all recoveries to date using the spreadsheet below. You **must** include all supporting documentation (i.e. HUD1 sheet(s), auction report(s), settlement statement(s), bill(s) of sale, and/or copies of cancelled checks). An Offer in Compromise (OIC) is considered recovery and must be included. Provide supporting documentation for funds held in escrow listed on the HUD-1.

	Date	Source of Recovery	Amount Applied to Expenses	Amount Applied to Principal
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				

Total Recovery

Are legal fees expected to exceed \$10,000? Yes No

Have you submitted a litigation plan? Yes No

Non-Routine Litigation

Lender **must** obtain SBA's prior approval of a litigation plan and budget before proceeding with non-routine litigation. In addition, lenders must submit an amended litigation plan to address any material changes arising during the course of the litigation that was not addressed in the original plan or an amended plan (13 CFR 120.540(e)). Non-routine litigation includes:

- ° All litigation where factual or legal issues are in dispute and require resolution through adjudication
- ° Any litigation where legal fees are expected to exceed \$10,000
- ° Any litigation involving a loan where a lender has an actual or potential conflict of interest with SBA
- ° Any litigation involving a loan where the lender has made a separate loan to the same borrower which is not a 7(a) loan

Are there any legal pleadings? Yes No *If Yes, please include copies (SOP 50 51 3, Chapter 15)*

County and State where litigation is filed:

Please summarize all legal fees for which you are requesting reimbursement or seeking approval to deduct from recoveries in the spreadsheet below.

	Date	Vendor	Amount
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			

Total

Invoices submitted for review should list the activity performed, its date, the attorney or legal professional who performed the work, their hourly rate, a detailed description of each task billed, the time spent on each task, and the charge assessed for the work (rate multiplied by time allocation). Be sure to itemize current month charges. Do not include late fees or prior month unpaid balances.

NOTE: Meals, travel, and lodging expenses will not be reimbursed as allowable expenses.

Appraisals & Brokers Priced Opinions

Date	Invoice Number	Vendor	Amount

Phase 1 & 2 Environmental Reports

Date	Invoice Number	Vendor	Amount

Site Visit Reports

Date	Invoice Number	Vendor	Amount

Total Valuations

Please provide justification for multiple appraisals obtained less than a year apart from prior appraisal.

Please provide explanation for any travel expenses incurred for valuation. Travel is generally not a reimbursable expense.

Please be sure that all invoices for valuations clearly show the property address that was inspected and the date the work was performed. Valuation invoices **must** be directly from vendor. Third party reviews will not be reimbursed. Summary pages of appraisals and environmental reports **must** be provided.

In order for a site visit to be reimbursable, the site visit report must clearly show what assets were viewed and give a specific description and listing of collateral in order to assist with the determination of value. Fee site visits that are performed in lieu of the lender's normal obligation to perform a site visit must be meaningful inspections of collateral and add value to the liquidation process. The entire site visit report **must** be provided, along with the corresponding invoice.

Please summarize all asset/lien searches for which you are requesting reimbursement or seeking approval to deduct from recoveries in the spreadsheet below.

Please be sure that the invoice(s) clearly state what type of search was performed, what party the search was performed on, and the date of the search. If a search has been conducted in multiple states for the same individual, please provide an explanation.

	Date	Vendor	Name of Person Searched	Amount
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				

Total

Please attach a spreadsheet for additional invoices.

* Once the property is in the lender's name and lender is reasonably aware that fees are due, no late fees, penalties, and/or interest will be reimbursed. Reimbursement request for late fees must include an explanation.

* If address shown on invoice is different or not the collateral address, please explain.

* The utility and insurance invoices must clearly show the property for which the services are being charged.

Utility Bills

	Date	Invoice Number	Vendor	Amount
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				

Total

Insurance (dates of service must be included)

	Date	Invoice Number	Vendor	Amount
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Total

Please attach a spreadsheet for additional invoices.

Maintenance Expenses (ex. handyman, lawn care, locksmith, management fees)

	Date	Invoice Number	Vendor	Amount
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Total

* The property taxes must clearly identify the property and time frame for the taxes being requested for reimbursement.

Tax Expenses

	Date	Invoice Number	Vendor	Amount
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Total

SBA will share in the cost of other miscellaneous expenses incurred by the Lender in an effort to maximize recovery. These expenses may include a 3rd party buyout, payoff of liens, and auction expenses (not already listed in auctioneer report). These expenses must be reasonable and prudent.

Please complete a separate tab for each property for which you are seeking reimbursement.

Please provide supporting documentation for all additional recoverable expenses incurred during the liquidation process **not** previously addressed for which you are requesting reimbursement or seeking approval to deduct from recoveries in the spreadsheet below. Utility deposits will not be reimbursed.

	Date	Vendor	Amount
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			

Total