

Regular 7(a) Guaranty Purchase Package Tabs

Version dated 12/2015

This page and the following Tab Pages were designed to help you assemble your guaranty purchase request package. The use of the following Tab Pages is mandatory for all guaranty purchase packages. Please read and follow instructions provided on each tab sheet. Failure to meet the requirements outlined in these instructions could result in unnecessary delays and/or possible return of the purchase package. If you are unable to provide required documents, please explain in advance to expedite processing. We recommend using bright colored paper or numerical dividers. Please ensure that all documents are clearly labeled, stapled or clipped, and presented in the order outlined on this page behind the appropriate tab.

Thank you for your cooperation!

For streamlined purchase of loans where SBA's share of the remaining balance is under \$10,000 and loan is not an early default, please go to Tab 10.

Click here to see if you're using the most current version of the [Tab Pages](#).

Tab 1 - Demand Letter

- Reason for Business Failure

Tab 2 - Loan Authorization

Tab 3 - Eligibility

- PLP Loan Eligibility Checklist OR LowDoc Loan Eligibility Checklist
- Eligibility Statement for STAR Loan Program
- Recovery Act Loans of 2009
- Franchise Agreement

Tab 4 - Legal Documentation

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- Security Agreements
- UCC Lien Searches showing SBA's lien
- Title Insurance and Recorded Deeds of Trust/Mortgages
- Purchase/Sale Agreement
- Legal Pleadings
- SSN or EIN for borrowers and guarantors
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- Evidence of Equity/Asset Injection
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Tab 10 - General Information

- Wire Transfer Form
- Environmental Questionnaire/ Phase I and Phase II Environmental Report
- Assumption Agreement, Compensation Agreement
- Streamline Purchase
- CPC Tabs

Under 13 CFR 120.520(b), SBA is not obligated to purchase the guaranteed portion of a loan unless a Lender has submitted to SBA documentation that SBA deems sufficient to allow SBA to determine whether purchase of the guaranty is warranted. Additionally, under 13 CFR 120.520(c), a lender's failure to provide sufficient post-purchase documentation may lead to an initiation of an action for recovery from the lender for moneys paid by SBA to a registered holder on a guaranty. For these reasons, SBA has the right to request additional documentation other than the items listed on this index, and the Lender must comply with SBA's request.

Required

Demand Letter

In order for SBA to process the guaranty purchase request, the lender must use the preformatted [Demand Letter](#), signed by an officer of the lending institution.

If the purchase has already occurred and you are submitting a post purchase package, no demand letter is required. Simply check this box. Post Purchase Package

Contact Name:

Phone Number:

Email Address:

- **Prior to Submitting Purchase Request**, the Lender must contact the appropriate SBA Servicing Center to request that the loan be placed in liquidation status and transferred to the National Guaranty Purchase Center (NGPC).
- **Please attach a memo explaining the reason for the business failure and/or the loan default.**
- The **LowDoc Program** requires lender to liquidate business personal property prior to requesting guaranty purchase, unless in litigation or borrower bankruptcy.

For **ALL** loans approved on or after **May 14, 2007**, the lender must liquidate all business personal property prior to requesting guaranty purchase unless the borrower has filed for bankruptcy or the loan has been sold in the secondary market and the lender has declined to purchase.

Has business personal property been liquidated?

Yes No *If No, please attach an explanation.*

- The regulations require that a demand for purchase be submitted within 180 days of maturity of the loan or within 180 days of the completion of liquidation or debt collection litigation in connection with a matured loan. Please check the maturity date of this loan to ensure that the loan is within these guidelines since SBA will be released from its guarantee if it is not. If the maturity occurred more than 180 days ago, please provide a written explanation why demand was not made.
- Is this a **Streamlined Purchase** (SBA's share of the remaining balance is under \$10,000?) *Not Applicable if the loan is an early default.*

Yes No *If Yes, please refer to Tab 10 G*

Required

Loan Authorization

The [Loan Authorization](#) is the most important document in your purchase package request. The Loan Authorization and any amendments contain the terms and conditions the lender **must meet** in order to validate the SBA Guaranty. Please include copies.

Please refer to the Loan Authorization and the instructions on each tab to determine which documents are required for submission.

Companion Loans

Includes SBA Guaranteed **and** non-SBA Guaranteed Loans originated by the same lender to the same borrower.

Does the loan for which you are requesting purchase have a companion loan(s)?

Yes No

If Yes, please include copies of the SBA Loan Authorization(s).

Write the loan number(s) in the spaces provided below:

SBA Companion Loan Number

SBA Companion Loan Number

Non-SBA Companion Loan Number

Non-SBA Companion Loan Number

For 7(a) Recovery Act loans, approved by SBA on or after 2/17/2009, Lenders must ensure that the Loan Authorization includes additional documentation requirements, restrictions and mandatory certifications outlined in the law (P.L. 111-5). Specifically, the required language pertaining to compliance with immigration laws and borrower certification of hiring practices for loans made under Section 502 of the Recovery Act of 2009; and, allowable uses of Recovery Act funds for loans made under Sections 501 and 502 of the Recovery Act of 2009.

Required

A. Type of Business: _____

- Start-up Existing Business Change of Ownership

B. Select the Special Program under which the loan was originated (select all that apply):

- | | |
|--|--|
| <input type="checkbox"/> PLP | <input type="checkbox"/> LowDoc |
| <input type="checkbox"/> CLP | <input type="checkbox"/> 7(a) Recovery Act |
| <input type="checkbox"/> STAR Loan | <input type="checkbox"/> CAPLine |
| <input type="checkbox"/> Dealer Floor Plan | <input type="checkbox"/> GP |
| <input type="checkbox"/> EWCP | <input type="checkbox"/> International Trade |

Evidence of eligibility **must** be provided as follows:

- For **PLP loans**, provide the [PLP Loan Eligibility Checklist](#) and any supporting documentation used in the eligibility determination.
- For **LowDoc loans**, provide the SBA LowDoc Eligibility Checklist and any supporting documentation.
- For **7(a) Recovery Act loans of 2009** with an increased guaranty, submit Borrower and/or Operating Company certifications of compliance with immigration laws and hiring practices prior to loan disbursement. (Section 502(c)(2) of the Recovery Act of 2009, P.L. 111-5). This certification is mandatory and is in addition to the existing disclosure requirement on SBA Form 912 Statement of Personal History.

Also include applicable eligibility questionnaires and checklists certifying that no proceeds will be used for a restricted purpose such as a Casino, other gambling establishment, aquarium, zoo, golf course, or swimming pool).

- For **STAR Loans**, provide eligibility statement or explain its absence.

C. Was the business required to execute a franchise/license/dealer/jobber or similar agreement? Yes No

If Yes, was the franchise/license/dealer/jobber or similar agreement on the Franchise Registry? Yes No

If Yes, please provide the Certification of No-Material Change or Certification of Franchise Documents.

If No, please provide an executed copy of the franchise/license/dealer/jobber or similar agreement and any addendums.

D. Did the business sell fuel/gasoline? Yes No

If Yes, provide fuel supply agreement or jobber agreement.

Required

- A. Note** ([SBA Form 147](#)) is mandatory for all loans. You must also submit copies of any Note Modifications, Amendments, Deferments, and Workout Agreements to include all revised repayment terms including dates, interest rate adjustments, and payment revisions.

For Secondary Market loans, lender must provide evidence of investor's approval of modifications, as applicable.

- B. Legal Documents** Provide all that are applicable and see corresponding definitions. If applicable but not provided, please explain.

- Guaranties ([SBA Form 148](#))
- Security Agreement (Use of [SBA Form 1059](#) is optional)
- UCC Lien Search

Date of Post Default UCC Search:

- Title Insurance and Recorded Deeds of Trust/Mortgages
- Purchase/Sale Agreement
- Legal Pleadings & Schedules, Bankruptcy Filings, and Court Motions
- Other (e.g. Certificate of Ownership and/or Certificate of Title of Vehicles or Manufactured Homes, Assignment of CDs or Stock, Assignment of Life Insurance, Landlord's Subordination, Lease Agreement).
- Assignment - [Link to Assignment form](#) (required if referral to be made)

- C. Social Security or EIN - Required** for each Borrower/Guarantor

Borrower/Guarantor		SSN/EIN	
Borrower/Guarantor		SSN/EIN	
Borrower/Guarantor		SSN/EIN	

- D. Statement of Personal History** ([Form 912](#)) - Required for all loans
- Yes No

- E. Was this loan part of a whole bank transfer from FDIC?**

If Yes, did the bank enter into a Loss/Sale Agreement with FDIC? Yes No

UCC Lien Search

This search is mandatory where personal property collateral is required and has recoverable value. When applicable, lender must provide proof of perfection of a security interest on motor vehicles or manufactured homes and copies of certificate of ownership and/or titles on any vehicles, with their lien recorded.

Please provide a complete set of lien documentation (as applicable):

- UCC Lien Search showing proper lien position Post-Default
- Financing Statements filed with Secretary of State and/or County
- UCC Continuation Statements (if the lien on the personal property interest is to remain in force for longer than 5 years, a continuation statement **must** be filed prior to expiration of the original filing).
- UCC Amendments/Termination, if applicable

Title insurance and Recorded Deeds of Trust/Mortgages

Title insurance policy and/or title search provide evidence that the lien is in the proper position as stipulated in the Loan Authorization or any release or refinancing agreement. **It is mandatory where real property collateral is required.**

Does the Title Insurance or Post-Default Title Search show the same lien position as required by the Loan Authorization?

Yes No

If No, please attach an explanation.

Recorded Deeds of Trust/Mortgages are mandatory where real property collateral is required.

Purchase/Sale Agreement

The lender must provide an executed copy of the terms of sale between the seller and the purchaser when loan proceeds are used to finance the purchase of a business and/or asset purchase.

Assignment

If the loan is ready for charge off and any referrals are to be made to Treasury, the Lender must execute and Assignment form.

Statement of Personal History (Form 912)

Must be provided for all obligors/guarantors. If not provided, please explain. A stamped USCIS INS Form G845 must be provided if the 912 indicates that the individual is not a U.S. citizen.

Required**Disbursements**

A key element in the process is reviewing each disbursement to determine that loan proceeds were used in accordance with the Loan Authorization and for eligible business purposes. For loans made on or after 8/1/08, only one settlement sheet is required; however, documentary evidence is required for all disbursements. For loans made prior to 8/1/08, all settlement sheets must be included with evidence.

Documentary evidence

Copies of the cleared joint payee checks, Paid Invoices, and Final & Executed Bills of Sale as applicable for each disbursement must be itemized. Include totals for each disbursement category.

Did loan proceeds payoff lender's interim loan? Yes No

If Yes, please provide a copy of the interim loan's Note and evidence of use of proceeds.

Did any of the loan proceeds (other than working capital) go directly to the borrower? Yes No

If Yes, please provide supporting documents verifying these funds were used according to the Loan Authorization (copies of checks, paid invoices, receipts, etc).

****Supporting documentation must be itemized and organized****

If Debt Refinance, Please Provide:

- Debt Schedule (Please provide copies of notes and/or payoff statements)
- Borrower's Certification that credit card debt being refinanced was incurred exclusively for business purposes. (See SOP 50 10 in effect at the time of origination)

7(a) Recovery Act Loans of 2009

Was working capital financed with loan proceeds? Yes No

If Yes, provide certification executed, prior to disbursement, by the Borrower and/or Operating Company, certifying that no funds obtained from the working capital loan would be used for restricted purposes.

Was this loan funded with Recovery Act Funds for a Project with Restricted Uses? Yes No

If Yes, **(a)** provide Credit Memorandum (even if the loan is not an early default) documenting that use of proceeds does not include financing restricted uses, and document the other resources that cover the financing component of restricted uses; and, **(b)** provide Borrower and/or Operating Company certification, prior to first disbursement, that alternate funding proceeds have been obtained to finance restricted uses of the project.

Required

Transcript

The certified transcript of account is a document which accounts for the disbursement of loan proceeds and applications of payments.

[SBA Form 1149](#) is the Agency's preferred Transcript of Account Form. All transcripts of account, including the SBA Form 1149 must contain the following:

1. SBA loan name and 10 Digit loan number.
2. Method used for interest computation (360 day or 365 day). SBA calculates interest based on 365 days.
3. Date and amount of each disbursement.
4. Date and amount of each payment showing principal and interest applications.
5. **Show interest *From and To* dates for each payment application.**
6. Date interest rate changes occurred.
7. **Next payment due date (defined as the "default date") (Add to SBA Form 1149.)**
8. If applicable, the amount of lender's successful bid at foreclosure sale (reflected on the transcript as a credit to the principal balance).
9. Record of all recoveries and expenses - legal fees will be paid separately, if approved.
10. **Indicate all deferments. (Add to SBA Form 1149)**
 - a. **Dates.**
 - b. **Principal and Interest or Interest Only.**
11. Note source of funds if payment was applied to the principal.
12. Indicate if your ending balance agrees with your 1502 report.

Note: With the exception of loans purchased from the secondary market by SBA, lenders may deduct 120 days of interest from liquidation proceeds which then should be shown on the transcript of account.

Note: For loans sold into the secondary market after January 31, 2011, SBA will only pay 120 days of interest. Any interest above 120 days paid to the investor will be billed to the lender.

Early Default Definition

A loan is considered Early Default when the default occurred within 18 months of the initial disbursement of the proceeds from an SBA Loan . If the final disbursement occurred more than 6 months after the initial disbursement, the 18-month period will begin to run from the date of the final disbursement.

If the Borrower cures the default and makes scheduled loan payments for 12 consecutive months after the initial 18-month period (30 months), it is not considered early default.

The following events of default would constitute an Early Default if they occurred within the specified 18-month period:

- An unremedied failure by the Borrower to make one or more scheduled loan payments
- Funding scheduled loan payments from the sale of collateral rather than from business operations
- Deferment of more than 3 consecutive scheduled full payments
- A problem or event requiring the loan to be classified in liquidation status such as the filing of a bankruptcy petition

Is this loan an early default based on the above definition?

Yes No *If No, disregard this tab.*

Enter Date of Default:

Is this a PLP loan? Yes No

Was equity injection required? Yes No

Was Standby Agreement required as part of borrower's equity injection? Yes No

Is there a Note as a result of the Standby Agreement?
(If yes, please include a copy of the Note) Yes No

IRS Income Tax Verification

Lender must provide copies of IRS tax transcripts and the financial statements and/or other financial information submitted by the applicant/seller that were compared with the tax transcripts in the lender's credit analysis during the loan origination process. (Cont.)

Was the purpose of the loan to finance a start-up? Yes No

(If yes, IRS verification was not required)

Was financial information verified against IRS Tax transcript? Yes No

(If No, attach an explanation)

Were any discrepancies noted on the IRS Tax transcript? Yes No

(If Yes, note the discrepancies and how they were resolved)

Credit Memorandum and Supporting Documentation

For all early default **PLP** loans, the lender must include the borrower's application, credit write-up, and documentation used and/or relied on to justify cash flow and loan approval.

Standby Agreement

Must be provided if required as part of borrower's equity injection. If a Note resulted from the Standby Agreement, a copy of the Note must be included.

Change of Ownership

Please provide a copy of the business valuation.

Evidence of Cash Equity/Asset Injection

Lender must provide evidence that cash or assets were injected into the business. All evidence must be dated prior to loan disbursement. Evidence must be itemized and organized and show the purpose, breakdown, and totals for multiple paid bills and checks. Examples of Evidence:

- Credit card receipts indicating item purchased;
- Paid invoices with vendor receipts or corresponding cancelled checks; or
- Processed checks (must show back of check with bank processing stamp;
- Borrower bank statement that shows beginning and ending balances prior to loan disbursement. Dated within 2 months of disbursement.
- Settlement Statement such as HUD 1 or closing agent's settlement statement dated and signed by borrower and closing agent.

* If the loan was approved between 09/06/05 and 10/01/10 (*SOP 50 51 2b, chapter 13*) and the equity injection was greater than 1/3 of the loan amount or \$200,000, whichever is less, evidence of the source of the funds is required. **If the loan was approved after 10/01/10 and is an early default, evidence of source is required regardless of the injection amount.**

Is this documentation required based on your Loan Authorization?

Yes No *If No, disregard this tab.*

If Yes, be sure to include reconciliation documentation as described below.

If required by Loan Authorization but not provided, please attach an explanation.

The **lender must itemize** all original collateral with unit value of \$5,000 or more specified in the Loan Authorization. Lender must include a brief description and, when applicable, a serial number.

Lender must provide proof of perfection of a required security interest on motor vehicles or manufactured homes, if applicable. The lender must provide copies of certificate of ownership and/or titles on any vehicles, with their lien recorded on it.

THE LENDER MUST THEN RECONCILE THE ORIGINAL LIST OF COLLATERAL AGAINST AN UPDATED LIST OF COLLATERAL ITEMS OBTAINED FROM THE POST-DEFAULT SITE VISIT OR APPRAISAL. ANY DISCREPANCIES BETWEEN THESE TWO LISTS MUST BE EXPLAINED.

Required

A. Appraisals

	Appraisal Required by Loan Authorization?	Appraisal Obtained at Loan Origination?	Appraisal Obtained at Loan Liquidation?
Personal Property	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Commercial Real Estate	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Residential Real Estate	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

If you answered NO to either of the last two questions, please attach an explanation.

- Please include a copy of the appraisals completed both at origination and prior to liquidation, as appropriate.
- Origination appraisals must be dated prior to loan closing.
- A post default appraisal should be less than 120 days old, and must never be more than one (1) year old.

B. Post-Default Site Visit Report

Was site visit made?

Yes No *If No, please attach an explanation.*

Enter Date of Site Visit:

Please provide a copy of the site visit report. Lenders **must** perform site visits within 15 days of an adverse event that would cause the loan to be transferred into liquidation status or within **60** days of a payment default. The site visit should document the lender's efforts to protect the lender/SBA's interest in the collateral, including a comprehensive inventory of collateral.

C. Report of Sale of Collateral

(Cont.)

Has any collateral been sold?

 Yes No*If No, please attach an explanation.*

If Yes, follow instructions below.

Lenders must provide itemization of sale proceeds (gross recovery) less expenses, with supporting documentation and show net recovery applied to principal balance on the Loan Transcript (see suggested format below). The net proceeds of the sale must be applied solely against principal. Proper application of proceeds from sale of collateral must appear on the Transcript of Account. If collateral has been abandoned, provide the basis for the decision.

* Attach copies of all expense invoices behind Tab 10, using the CPC Tabs.

Is any collateral remaining?

 Yes No

If Yes, please describe and provide a summary of liquidation activities up to the point of request for purchase.

D. Status of Liquidation

Is Liquidation complete and all collection activity finished?

 Yes No**Is the loan ready for Charge-Off?** Yes No

If Yes, please ensure that all relevant documentation to support charge off is included in this package. If you choose, you may complete a separate set of charge off tabs. However, if all relevant documentation is already included in the purchase package, this is not required.

Is borrower/guarantor deceased?

 Yes No

(Cont.)

Please mark the documents you are providing in this Tab:

Required:

- Wire Transfer Form

As Required by Loan Authorization:

- Environmental Questionnaire
- Phase I and / or Phase II Environmental Report

If required by Loan Authorization but not provided, please explain.

Required Documentation (As Applicable):

- Assumption Agreement(s)
- Compensation Agreement and breakdown
- Source of Equity Injection
- Streamlined Purchase (see F. of this tab for requirements)
- CPC Tabs

Please follow instructions on the following pages to determine submission requirements.

For 7(a) Recovery Act Loans of 2009

Did the Lender receive fee refunds from SBA on eligible 7(a) loans approved by SBA on or after February 17, 2009 and before March 16, 2009?

- Yes No

If Yes, Lender must provide documentation showing borrower's receipt of the refund. (See SBA Policy Notice 5000-1097, effective March 16, 2009)

A. Wire Transfer Form

SBA requires the use of the SBA [Wire Transfer Form](#).

B. Environmental Questionnaire on Mortgaged Commercial Properties

An environmental questionnaire ([Environmental Questionnaire Form](#)) determines if a Phase I or Phase II audit is needed. Lender needs to complete form during an on-site inspection prior to initial disbursement at origination and prior to pursuing foreclosure when commercial real estate is taken as collateral. Refer to Loan Authorization, Collateral Conditions, to see if Environmental Questionnaire form is required.

C. Phase I and / or Phase II Environmental Report

If a Phase I and/or Phase II is required, include the summary and recommendation pages only. For loans originated and/or liquidated after 11/01/2006, report must be consistent with AAI (All Appropriate Inquiries) standards. Refer to Loan Authorization, Collateral Conditions, for information regarding Phase I and/or Phase II.

D. Assumption Agreements

Please provide copies of any Assumption Agreements, if applicable.

E. Compensation Agreement ([SBA Form 159](#))

This form **must be** completed in connection with a loan application if:

- 1) The Applicant has paid (or will be paying) compensation to an Agent, or
- 2) If the Lender has (or will be paying) a referral fee.

There must be a completed Agreement for each Agent compensated by the Applicant. If the certifications are made by a legal entity other than an individual (e.g., corporation, limited liability company), execution of the certification must be in the legal entity's name by a duly authorized officer or other representative of the entity; if by a partnership, execution of the certification must be in the partnership's name by a general partner. **If the total compensation exceeds \$2,500, the compensation must be itemized.**

F. Streamlined Purchase**SBA's Share of the Remaining Balance is Under \$10,000**

The Lender should still use the 10-Tab system for a streamlined purchase, but only include the following documents:

- Signed demand letter **(Tab 1)**
- The executed Loan Authorization **(Tab 2)**
- Eligibility checklist (if the loan is PLP or LowDoc) **(Tab 3B)**
- Franchise/License/Dealer/Jobber/Fuel supplier information **(Tab 3C and D)**
- The Note **(Tab 4)**
- Any guaranties **(Tab 4)**
- Certified transcript of account in [SBA Form 1149](#) format **(Tab 6)**
- Lender certification that the loan proceeds were disbursed in accordance with the loan authorization **(Tab 9)**
- Wire transfer instructions **(Tab 10)**
- Compensation Agreement [SBA Form 159](#) when executed by lender at origination **(Tab 10)**

If the liquidation is complete please include:

- A written statement, certifying that liquidation is complete and all avenues of collection have been completed **(Tab 9)**
- Final wrap-up report **(Tab 9)**

When you prepare the purchase package, be sure you clearly state in your demand letter that this is an expedited purchase where SBA's share of the remaining balance is under \$10,000, so that the screening team doesn't mark it as an incomplete package. Also, please be sure to mark on the Tabs if documents are not required because it is a streamlined package.

**** Early Default Loans cannot be submitted using the streamlined process ****

G. Care and Preservation of Collateral and Legal Expenses

As noted in Tab 9 C., expenses are to be deducted from recoveries and applied to the principal balance on the transcript. (See SOP 50 51 3 page 130)

If you wish to have expenses reimbursed at the time of purchase, please complete the [CPC Tabs](#), and attach them behind Tab 10 of your purchase package.

All expenses that are submitted with CPC Tabs and are fully supported by paid invoices and considered to be reasonable and prudent will be reimbursed at the time of purchase. If any expenses are not fully supported, they will be removed from the purchase.

[Click Here To download the CPC Tabs](#)

*If expenses have already been deducted, CPC Tabs are mandatory.

Legal expenses under \$10,000 that are fully supported by appropriate documentation will be paid at the time of purchase. Legal expenses over \$10,000 will not be considered and should be submitted separately from the purchase.