



# SBA Procedural Notice

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**TO:** All SBA Employees

**CONTROL NO.:** 5000-1351

**SUBJECT:** PARRiS Risk-Based Review --  
Revised Terminology

**EFFECTIVE:** September 11, 2015

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SBA's Office of Credit Risk Management (OCRM) published its 7(a) loan program PARRiS risk-based review protocol on December 29, 2014 in Policy Notice 5000-1332. The 504 loan program SMART risk-based review protocol was published August 5, 2015 in Policy Notice 5000-1348. This Procedural Notice aligns PARRiS and SMART scoring terminology and more accurately reflects the meaning of the PARRiS scores.

Effective immediately, SBA is changing the terminology for the three PARRiS scores as follows: "1" – for performance within a "*Lower Risk*" range (rather than "Preferred"), "3" for performance within a "*Moderate Risk*" range (rather than "Acceptable"), and "5" for performance within a "*Higher Risk*" range (rather than "Less Than Acceptable"). All other aspects of PARRiS remain unchanged (See Policy Notice 5000-1332).

Questions on this revised risk measurement terminology may be directed to Adrienne Grierson, Deputy Director, Office of Credit Risk Management at [Lender.Oversight@sba.gov](mailto:Lender.Oversight@sba.gov).

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Director, Office of Credit Risk Management

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**EXPIRES:** 9/1/16

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