



SBA Information Notice

TO: All SBA Employees

CONTROL NO.: 5000-1091

SUBJECT: Centralization of Disaster Loans

EFFECTIVE: 1/22/2009

The National Disaster Loan Resolution Center (NDLRC) in Santa Ana, CA was established to provide a central location to handle the portfolio of SBA disaster loans in liquidation status, and such loans are to be housed in the NDLRC (Office Code 0946). In accordance with loan centralization instructions issued by the Office of Field Operations on December 18, 2006, there should generally be no disaster loans in liquidation status in the district offices.

The Office of Financial Assistance has conducted an inventory of disaster loans in liquidation status, and there remain a number of such loans in district offices. All liquidation loans not involving litigation are to be shipped to the NDLRC by January 30, 2009, using the following procedures:

Case and collateral files should be sent to the NDLRC (under separate cover) to the attention of Angela Li. All shipments should include a transmittal. In the event the sending office does not have the case and/or collateral file, an email should be sent to Angela Li prior to the office code being changed indicating that the sending district office does not have possession of the files. Loans that have been paid-in-full or charged off should not be sent to the NDLRC. Those files should be sent to the appropriate National Records Center.

Where litigation activity is involved in a disaster liquidation loan, additional consideration is to be given regarding the assignment of the loan file. District Counsel are normally responsible for the conduct of field litigation involving SBA loans. Mindful that disaster loans in liquidation status should be located in the NDLRC, if the local District Counsel require the entire loan file for litigation purposes, the entire file should be sent to District Counsel with a copy remaining in the NDLRC. If District Counsel require only particular documents from the files, the NDLRC can provide originals or copies of such documentation without transferring the entire files to the field offices. For pending litigation, the files should remain with the legal field offices unless District Counsel determine that is not necessary. For district offices lacking the support to handle disaster loan litigation, the NDLRC maintains a legal department with a portfolio of certain types of litigation, and can handle commercial litigation at the request of the local District Counsel. Upon request and where appropriate, the NDLRC can also provide loan officer support to assist District Counsel in the conduct of litigation.

If you have any questions about this procedure, please contact NDLRC Director Ginette Atwood at 714-564-2820. For questions concerning Center-handling of disaster loan litigation, please contact NDLRC Chief Counsel Roy Nakano at 714-564-2870.

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EXPIRES: 1/1/2010

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SBA Form 1353.3 (4-93) MS Word Edition; previous editions obsolete
Must be accompanied by SBA Form 58