



SBA Procedural Notice

TO: All Employees

CONTROL NO.: 5000-1166

SUBJECT: Process for Lenders to Participate in
GO Loan Pilot

EFFECTIVE:
9/9/2010

This is one of three notices announcing the extension of the Gulf Opportunity Pilot Loan Program.

This notice is a re-issuance of SBA Procedural Notice 5000-979, entitled “Process for Lenders to Participate in GO Loan Pilot,” originally issued on November 10, 2005. SBA is re-issuing this notice because SBA is extending the Gulf Opportunity Pilot Loan Program through September 30, 2011. The GO Loan Pilot is being extended due to the continuing challenges faced by small businesses in the Gulf Coast, which have been further affected by the Deepwater BP oil spill. This Notice reflects changes from the original notice which update the participation criteria and approval process, the responsible SBA office, and the expiration date. The text of the original Notice follows with the above noted exceptions.

“Introduction

In order to address the critical needs of small businesses recovering from the recent natural disasters in the Gulf Coast region, SBA has introduced the Gulf Opportunity Pilot Loan Program (the “GO Loan Pilot”). This Notice sets forth the approval process for 7(a) lenders to participate in the GO Loan Pilot.

Authority to Make Loans Under the GO Loan Pilot

Existing SBAExpress Lenders

Those lender participants currently approved with *SBAExpress* authority are automatically approved to make loans under the GO Loan Pilot. *SBAExpress* lenders are instructed to use the specific SBA forms designated for this pilot and located on the website for SBA lenders at <http://www.sba.gov/library/forms.html>.

Existing PLP Lenders Not Approved for SBAExpress

PLP lenders that do not have *SBAExpress* authority and wish to participate in the GO Loan Pilot will have their requests handled on an expedited basis. These lenders must:

EXPIRES: 9/1/2011

PAGE 1 of 3

SBA Form 1353.2 (12-93) MS Word Edition; previous editions obsolete
Must be accompanied by SBA Form 58

- Have a satisfactory performance history with SBA;
- Be in compliance with applicable SBA statutes, regulations and requirements;
- Not be identified by the Office of Credit Risk Management as a high risk lender;
- Be current in filing 1502 reports and in remitting SBA guaranty and servicing fees; and
- For lenders regulated by one of the federal/state oversight authorities, be in good standing with their primary regulator and not currently be subject to any enforcement action or a party to a regulatory agreement that is unacceptable to SBA.

PLP lenders should send a written request to the Lender Transaction Team, 6501 Sylvan Road, Citrus Heights, CA 95610 or by fax to (916) 735-0643.

Please be sure to mention "GO Loan Pilot" program in the written request to assure expedited processing of your submission. PLP lenders requesting expedited processing will be expected to make a substantial commitment to lending in the eligible areas. Upon approval, these lenders will also be authorized to make *SBAExpress* loans prior to the pilot program expiration date of September 30, 2010.

Lenders Not Operating with PLP or SBAExpress Authority

Lenders participating in the 7(a) loan program and not operating with PLP or *SBAExpress* authority that wish to participate in the GO Loan Pilot must meet the Agency's program requirements as set forth in the Standard Operating Procedures 50 10 5(B) – Lender and Development Company Loan Programs for existing SBA lenders.

Lenders should send a written request to the Lender Transaction Team (LTT), Sacramento Loan Processing Center at the address provided above.

SBA Processing

Upon receipt of a request to participate in the GO Loan Pilot, the LTT will screen the request and notify the Lender if additional information is needed to render a recommendation.

The LTT will analyze the Lender's submission along with its record as an SBA lender participant, including its portfolio performance measures and compliance with submitting 1502 reports and remitting guarantee and lender fees. The lender must submit a separate certification that it is in good standing with its primary regulator, and that it is not currently subject to any enforcement action or a party to a regulatory agreement that is unacceptable to SBA. Requests that clearly do not meet the program's eligibility standards and are unlikely to have their deficiencies remedied in a reasonable period of time will be screened out or declined with the deficiencies communicated to the Lenders.

The LTT will forward its analysis and recommendation to the appropriate SBA official for review and approval. The final determination will be communicated back to the LTT and, if approved, the LTT will issue a Supplemental Loan Guarantee Agreement for Non-Eligibility Delegated *SBAExpress* Lenders for execution by the lender.

Lender questions concerning this notice should be directed to Felicia Smith by e-mail at felicia.smith@sba.gov.”

Eric Zarnikow
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Office of Capital Access