



U.S. SMALL BUSINESS ADMINISTRATION

OFFER IN COMPROMISE REQUIREMENTS **DISASTER INFORMATION**

For the U.S. Small Business Administration (SBA) to consider an *Offer in Compromise* (OIC) request, the below documentation must be provided. Borrower(s) and/or Guarantor(s) have 30 calendar days to submit a completed packet. Completed packets will be reviewed within 15 business days of receipt by the proper SBA office. Incomplete packets will result in a delay in processing.

ATTENTION:

This requirements letter is not a commitment by the SBA. Any commitment made by the SBA will be provided separately in writing.

Note: If SBA is in the process of foreclosing on the real estate used to secure your SBA loan, you must contact the SBA employee in the SBA's National Disaster Loan Resolution Center (NDLRC) named in your foreclosure letter to discuss this matter. As to non-bankrupt borrowers/guarantors in foreclosure, collection efforts currently in process will continue until SBA's NDLRC receives the required documentation and approves your request for assistance in writing. There will be no refunds of any offset(s) by the U.S. Department of Treasury during this period.

Generally, *compromise* negotiations with an Obligor may only be initiated *after* all of the collateral has been liquidated. OIC must be done separately for all obligors (including borrowers and guarantors).

If the SBA approves the request, the loan will be reclassified as "***Compromise/Closed***" and there will be no future efforts by SBA to collect the loan balance. Also, your name and social security number will be removed from the Treasury Offset Program and you will no longer be subject to a forfeiture of any future federal tax refunds. While SBA will no longer attempt to collect this debt, its compromise may preclude you from borrowing funds from any federal agency in the future. The unpaid amount will be considered uncollectible and IRS Form 1099-C may be filed with the IRS.

GENERAL REQUIREMENTS:

All Borrowers and/or Guarantors are required to provide the following for all applicable sections. Additional documentation may be required for a thorough analysis.

Provide the Following for All Loan Types:

- 1) A signed and dated detailed letter explaining the financial hardship or reasons for the request, including the amount being offered. The letter must identify the source of the funds for the offer.
- 2) If hardship is the reason for request:
 - a. If you are disabled or have a medical emergency, a doctor's statement is required concerning the status of your health.
 - b. If unemployed, provide dismissal notices from your employer and/or unemployment benefits letter.
- 3) A completed, signed, and dated ***Offer in Compromise*** form [SBA Form 1150](#).
- 4) A completed, signed, and dated Consent to Verify Information and Third-Party Authorization ([Borrower Authorization](#)).
- 5) A completed, signed, and dated Financial Statement of Debtor form [SBA Form 770](#).
- 6) Copies of filed Federal Income Tax Returns (all schedules) for the last two (2) years. If a current tax return was not filed, submit a copy of the tax extension form along with W-2 form(s).

- 7) Copies of the most recent pay stubs for the past two (2) months. If any borrower or guarantor is a recipient of Social Security or SSI (Supplemental Security Income), provide a copy of the current SSA/SSI award letter, and a copy of the most recent SSA/SSI check stubs, or, if check stubs are unavailable, a copy of the bank statement reflecting the SSA/SSI benefits.
- 8) Copies of recent (last 6 months) statements for all banking and investment accounts (stocks, bonds, IRA, Mutual Funds, etc.).
- 9) Additional verification of income from borrower(s) and guarantor(s) (any other documents not listed in #6 or #7 above)

Provide the Following for Business:

1. Copies of latest filed Federal Income Tax Returns (all schedules) for the last two (2) years. If current tax return was not filed, submit a copy of the tax extension form.
2. Year-to-Date financial statements including a **current** balance sheet and profit & loss statement (**within 90 days**).
3. Current Monthly Debt Schedule for business or use SBA [Form 2202](#).
4. If Business is dissolved,
 - a. Certificate of Dissolution from the Secretary of State or Affidavit stating the business has ceased operations and date of closure.
 - b. The final, signed closing Federal Income Tax Return.

Provide the Following if the OIC Involves Release of Collateral:

1. Valuation of collateral: A copy of a recent appraisal (no older than 120 calendar days if loan is in Regular Servicing and 365 calendar days if loan is in NDLRC Liquidation Servicing) prepared by a real estate appraiser with an active real estate appraiser's license. If the loan is not in NDLRC Liquidation Servicing Status and an appraisal is not available, you may provide alternative forms of valuation, such as comparable sales, market analysis or a property tax assessment (if the property has been reassessed within the last 12 months).
2. Current Title Report/Ownership Encumbrance Report of the collateral held as security dated within 6 months (Regular Servicing) (12 months for Liquidation accounts).
3. Current payoff statement(s) for each lien holder senior to the SBA.

*Please submit the above required information to the US Small Business Administration at your appropriate **Disaster Loan Servicing Center** as shown below.*

Complete information packages may be E-Mailed, Mailed, Faxed or Uploaded. Please only use ONE option, and follow-up to verify receipt.

Birmingham Disaster Loan Servicing Center
 2 North 20th Street, Suite 320
 Birmingham, AL 35203
 Toll Free Phone: (800) 736-6048
 Fax: (202) 481-0292
 E-mail: Birminghamdlsc@sba.gov
[Upload to Birmingham DLSC](#)

El Paso Disaster Loan Servicing Center
 1545 Hawkins Blvd, Suite 202
 El Paso, TX 79925
 Toll Free Phone: (800) 487-6019
 Fax: (202) 481-5105
 Email: ElPasoDLSC@sba.gov
[Upload to El Paso DLSC](#)

National Disaster Loan Resolution Center
 200 West Santa Ana Blvd., Ste. 740
 Santa Ana, CA 92701-4134
 Toll Free Phone: (855) 788-3154
 Fax: (Liquidation) (714) 569-1630
 Email: NDLRC.Packages@sba.gov
[Upload to Santa Ana NDLRC](#)