



SBA Information Notice

TO: All SBA Employees and 7(a) Lenders

CONTROL NO.: 5000-20005

SUBJECT: The National Guaranty Purchase Center (NGPC) Guaranty Purchase Tabs

EFFECTIVE: March 10, 2020

The National Guaranty Purchase Center (NGPC) is refining the Guaranty Purchase Tabs to improve the customer experience for its lending partners and facilitate the submission of guaranty purchase requests. The new Tabs are designed to assist lenders with providing all necessary documentation so that guaranty purchase requests can be processed quicker and with fewer requests for additional information.

NGPC recognizes it will take time for some Lenders to transition their internal processes to accommodate the changes in the new tabs. Therefore, the new tabs will not become mandatory until April 1, 2020. However, Lenders are encouraged to use them as soon as possible to realize the benefits of the improvements. All packages submitted to NGPC prior to April 1, 2020, will be processed, however, Lenders should be aware that the Center will request any documents that are missing as required by the new Tabs. The new tabs are located on SBA's website at <https://www.sba.gov/document/sba-form--regular-7a-guaranty-purchase-package-tabs>.

Please note, the new tabs are intended for guaranty purchase requests at the NGPC. Guaranty purchase requests for 7(a) Small Loans submitted to the Little Rock and Fresno Commercial Loan Servicing Centers, lenders should continue using the 7(a) Small Loan Purchase Demand Kit located at https://www.sba.gov/sites/default/files/files/7a_Small_Loan_PDKv2.pdf.

Summary of Changes by Tab:

Tab 1 – Demand Letter *(No Changes)*

Tab 2 – Loan Authorization/Credit Memo

1. Provide the Credit Memo for all loans. This will be used to provide a better understanding of the loan structure and should reduce questions resulting in customer service requests.
2. Added a reminder to provide Credit Elsewhere analysis required by the SOP 50 10 and/or CFR in effect at loan origination, including personal resource test analysis if applicable.

Tab 3 – Eligibility

1. Added a reminder of the requirement to provide SBA Form 1920.
2. Added a reminder of the requirement to provide the Addendum to the Franchise Agreement for loans approved on or after 1/1/2017, if required by SOP 50 10.
3. Added the reminder of the requirement to provide the CAIVRS report on all delegated loans closed on or after 10/1/2012.
4. Moved the requirement to provide the Environmental Questionnaire from Tab 10 to Tab 3 to increase Lender awareness of the requirement.
5. Moved the requirement to provide the Phase I and/or Phase II Reports from Tab 10 to Tab 3 to increase Lender awareness of the requirement and changed the requirement to submitting the full report, and not just the summary pages.
6. Added a request to include IRS Rollovers as Business Start-Ups (ROBS) favorable determination letter, if required by the SOP 50 10 in effect at loan origination.

Tab 4 – Legal Documentation

1. Added a reminder of the requirement to provide the death certificate when a borrower or guarantor is deceased.
2. Added a reminder of the requirement to provide the SBA Form 1919.
3. Added a reminder of the requirement to provide a Business Appraisal/Valuation (when required by SOP 50 10) for change of ownership transactions.
4. Added a reminder of the requirement to include all contracts, exhibits, agreements, etc., associated with the purchase/sale of the business when there is a change of ownership.

Tab 5 – Settlement Sheets

1. Added clarification of documentation requirements for loan proceeds used to refinance debt to include the Debt Schedule, copies of notes and payoff statements, as required by the SOP 50 10 in effect at loan origination.
2. Added clarification of documentation requirements for loans funded with Recovery Act Funds for a Project with Restricted Uses.
3. Added wire transfer documentation to the list of possible choices for evidence of disbursement.

Tab 6 – Certified Transcript of Account *(No Changes)*

Tab 7 – Early Default

1. Updated the definition of an Early Default to match the definition in SOP 50 57 2.
2. Added clarification on the difference between evidence of equity injection and the source of the equity injection, as well as the requirement to provide documentation supporting the source of injection, when required by the SOP 50 10 in effect at loan origination.
3. Added clarification as to documentation required to support Lender's repayment analysis.

Tab 8 – Reconciliation of Business Personal Property Collateral *(No Changes)*

Tab 9 - Collateral Disposition

1. Added clarification to ensure that the review and payment of expenses are addressed properly at the time of guaranty purchase.
2. Added a reminder of the requirement to provide the Assignment Form if the loan is ready for Charge-Off at the time of guaranty purchase.
3. Added a reminder that SBA will limit the ongoing guaranty fee deduction to 120 days if the loan is ready for charge off at the time of guaranty purchase.
4. Added a reminder of the requirement to provide a Wrap-up Report within 30 days of completion of collection activities, if a loan is not ready for charge off at the time of guaranty purchase.

Tab 10 – General Information

1. Added a reminder on the proper application of liquidation recoveries.
2. Added concurrence requirement for Lenders to assert whether additional expenses need to be considered and a reminder of the circumstances under which SBA will consider paying them.
3. Updated the Streamlined Purchase requirements to include the Assignment Form.

General

To be clear that there are multiple pages of the various tabs, we numbered them, for example, as 10.1, 10.2, 10.3, etc.

Questions concerning this Notice should be directed to the Lender Relations Specialist in the local SBA Field Office. The local SBA Field Office may be found on the Local Assistance Page of SBA's website.

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