

Congress of the United States

Washington, DC 20515

April 15, 2005

The Honorable Hector Barreto
Administrator, Small Business Administration
409 Third St, SW
Washington, D.C. 20416

Re: Liquidation of 504 Loans

Dear Hector:

We are writing to request information regarding the Agency's liquidation process for the 504 Loan Guarantee program. Please respond to the following questions with a written response no later than April 29th.

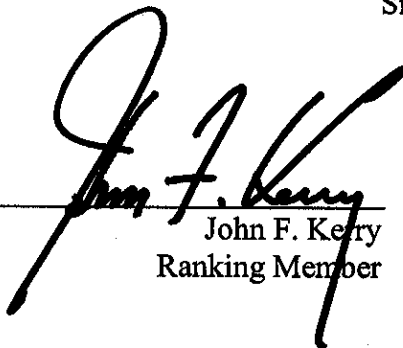
1. In each fiscal year 2000-2004, (a) how many first lien positions did the agency buy out, (b) on average, how much did the SBA pay to buyout first lien positions and what is the average as a percent of the first lien position and as a percent of the total loan, (c) in total, how much did the SBA pay to buyout the first lien positions and what is the total as a percent of the first lien position and as a percent of the total loan?
2. Since the last asset sale, (a) how many 504 loans have defaulted, (b) how many loans are in liquidation or are being worked out, (c) how many loans have been charged off, and (d) on how many defaulted 504 loans has the Agency made a recovery?
3. In each fiscal year 2000-2004 what was the agency's percent recovery on first lien positions it bought out?
4. In each fiscal year 2000-2004 what were the number and dollar loan amounts and recovery percentage of loans liquidated by CDCs under the loan liquidation pilot program and, separately, of loans liquidated by premier certified lenders?
5. Please provide a summary of the number of staff (fully or partially) dedicated to loan liquidation in each SBA office.
6. After the Fresno or Little Rock servicing centers return a loan to a district office for liquidation, what is the average time it takes the district offices to close out the loan?

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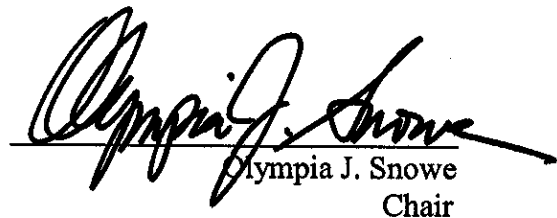
7. In each fiscal year from 2000-2004, what was the average time (both median and mean) spent in the liquidation process for those 504 projects in liquidation?
8. For each fiscal year from 2000-2004, how many 504 loans were being handled by the various United States Attorneys and what was the average and mean time for processing by the United States Attorneys?
9. Please provide a description of the liquidation process of 504 loans.

Thank you for your attention to this request.

Sincerely,



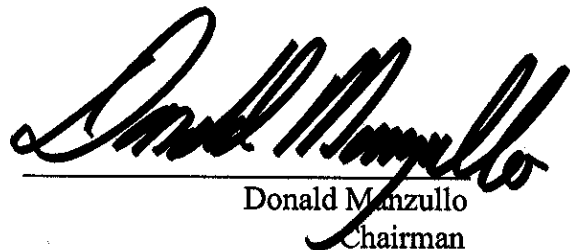
John F. Kerry
Ranking Member



Olympia J. Snowe
Chair



Nydia M. Velázquez
Ranking Member



Donald Manzullo
Chairman