

Welcome! The
Program will begin
shortly.

As a courtesy to the other participants, please turn off your cell phones and put your telephone on mute. Thank you for your cooperation.

Commercial Loan Service Centers

Fresno Commercial Loan Service Center

2719 N Air Fresno Drive, #107

Fresno CA 93727

Tel: 559 487-5136 (800-347-0922)

Fax: 559-487-5803

General e-mail: fsc.servicing@sba.gov

Little Rock Commercial Loan Service Center

2121 Riverfront #100

Little Rock, AR 72202

Tel. 501-324-5871 (800-644-8564)

Fax: 501-292-3878

General e-mail: lrcs.servicing@sba.gov

Unilateral Actions

Each month, the commercial loan service center receives hundreds of loan servicing actions which can be processed under the lenders' delegated, unilateral servicing authority. Many common unilateral servicing actions do not require any sort of submission to SBA.

Servicing Guidelines - Matrix



7(A) UNILATERAL ACTION MATRIX

Version
2/27/2009

Etrans? YES	Unilateral Actions		Requires prior SBA Approval	Lenders can use handy Form 2237 ⁵
	Notify SBA? NO	Notify SBA? YES		

Prior to Initial Disbursement

Maturity extensions (PLP/Express = Notify; GP = Prior Approval)	X		X	X	X
Initial disbursement date (PLP/Express = Notify; GP = Prior Approval)			X	X	X
Legal name /trade name change	X		X		X
Change in Tax ID # or Social Security #			X		X
Increase/Decrease in int rate (PLP/Express = Notify; GP = Prior Approval)			X	X	X
Increase/Decrease to loan amount				X	X
Increase/Decrease the guaranty percentage				X	X
Reinstatement of loan				X	
Cancellation of loan	X		X		X
Environmental Reviews ¹ (GP loans only)				X	
Environmental Reviews (PLP and Express only)		X			
Changes to loan authorization (GP loans only)				X	

Servicing Guidelines - Matrix

		Unilateral Actions		Requires prior SBA Approval	Lenders can use handy Form 2237 ⁵
Etrans?	Notify SBA?	Notify SBA?			
YES	NO	YES			
<i>After Initial Disbursement (13 CFR § 120.535 and 13 CFR §120.536)</i>					
Miscellaneous	Any action that confers a Preference on the Lender			X	
	Transferring a loan between two Participant Lenders			X	
	Transfers, sells or pledges more than 90% of a loan			X	
	Any action for which prior written consent is required by a Loan Program Requirement (e.g. Emergency Repurchase from Secondary Market, see Chapter 5 of SOP 50-50-4)			X	
Payments	Payment Modification//Deferments ²		X		
	Provide Payoff figures to borrowers		X		
	Rate Changes ²			X	X
	Determination of Involuntary Prepayment/Subsidy Recoupment Fee			X	
	Accept prepayments		X		
Changes/Edits	Adjust management covenants		X		
	Assumption/Change in borrower's form ³		X		
	Change of legal name, trade name, or address	X		X	X
	Correct obvious typographical errors		X		
Loan Terms	Compromises			X	
	Increases to the principal amount of a loan			X	X
	Decrease in loan amounts			X	X
	Changes to loan authorization		X		
	Extend final disbursement period			X	X
	Decreasing guaranty percentage			X	X
	Maturity extensions ²	X		X	X
	Reinstating the guaranty				X
Termination of guaranty (pre-purchase)			X	X	

Servicing Guidelines - Matrix

		Etrans? YES	Unilateral Actions		Requires prior SBA Approval	Lenders can use handy Form 2237 ⁵
			Notify SBA? NO	Notify SBA? YES		
<i>Collateral</i>	Release/substitute collateral		X			
	Subordinate to third party senior lien		X			
	Make loans that do not adversely affect the collateral		X			
	Release/substitute guarantors		X			
	Change life or hazard insurance requirements ⁴		X			
	Change flood insurance requirements in accordance with SBA policy ⁴		X			
	Taking title to any property in the name of SBA				X	
	Taking title to environmentally contaminated property, or taking over operation and control of a business that handles hazardous substances or hazardous waste.				X	

Note: Documentation requirements: For all servicing actions, Lenders must document the justifications for their decisions and retain these and supporting documents in their file for future SBA review to determine if the actions taken by the Lender were prudent, commercially reasonable, and complied with all Loan Program Requirements.

- 1 Loans approved on or after 8/1/08, Environmentals must be submitted to/approved by the Standard 7(a) Loan Processing Center - Citrus Heights, CA
- 2 For loans sold on the Secondary Market, any payment modification, rate change, extension of maturity, or deferment over 3 months, must have investor approval.
- 3 Must be sent in to SBA if it involves changing legal name or trade name, tax ID, or social security number.
- 4 SBA considers it to be a prudent lending practice for lenders to maintain insurance on worthwhile collateral.
- 5 For the most recent version of handy SBA Form 2237, [click here](#).

Servicing Guidelines - Matrix

Other helpful information for Lenders

- ✓ When submitting a unilateral action to notify SBA, you will receive a receipt from the appropriate servicing center that your action was received — and that will be the only communication you will receive. This is a reminder of the streamlined process regarding the handling of unilateral actions.

- ✓ Lenders should direct their action, request and/or SBA Form 2237 Checklist to either:
[Fresno Service Center at fsc.servicing@sba.gov](mailto:fsc.servicing@sba.gov)
[Little Rock Service Center at lrcs.servicing@sba.gov](mailto:lrcs.servicing@sba.gov)

- ✓ When taking action that falls within your unilateral authority, you are encouraged to notate your file with a statement such as "This action was taken pursuant to lender's Unilateral Authority." Then, attach this matrix to the statement and include it within your file, along with any other supporting information.

- ✓ Lenders may contact their District Office Lender Relations Specialists or Brand Managers if they have questions regarding the use of this matrix.

- ✓ Stamped approvals for unilateral actions are no longer issued by District Offices or by Centers.

- ✓ For the most recent version of this handy guide, click here!

- ✓ Please visit the Commercial Loan Service Centers' website, here, for all your servicing questions.

Unilateral Actions which require submission to SBA

Because these unilateral actions require an update to SBA's accounting records, they require submission to the SBA:

- **Loan cancellations (after disbursement).**
- **Decrease in loan amount.**
- **Changes of maturity.**
- **Change of legal/trade name or address.**
- **Extension of disbursement periods.**
- **Other: (eg., a loan assumption in which a change in guarantor/SSN/business Tax ID# is involved or change on loans sold on the secondary market)**

SBA approval of these items is not necessary and SBA does not respond in writing

7(A) LOAN POST APPROVAL ACTION CHECKLIST
(This form to be used only for those actions identified below)

TO: Fresno Commercial Loan Service Center FAX: 559.487.5803 E-mail: fsc.servicing@sba.gov
 Little Rock Commercial Loan Service Center FAX: 202.292.3878 E-mail: lpsc.servicing@sba.gov
 Office of International Trade FAX: 202.481.4842 E-mail: patrick.tunison@sba.gov

RE: SBA Loan Name: _____ SBA Loan No. _____

FROM: Lender Name: _____
Address: _____
Loan Officer's Name: _____
Phone: _____ E-mail: _____ Fax: _____

For SBA loans that have not been closed or initially disbursed. The Lender certifies that this request complies with SOP 50 10 and/or any applicable program guide:

- Request that SBA approve an increase in the loan amount from \$ _____ to \$ _____. (Additional guaranty fee in the amount of \$ _____ is attached/has been forwarded to Denver.)
- Request that SBA approve an increase in guaranty percentage from ____% to ____%. (Additional guaranty fee in the amount of \$ _____ is attached/has been forwarded to Denver). *Not applicable to Export Working Capital Program (EWCP) loans.*
- Request that SBA approve a decrease in the loan amount from \$ _____ to \$ _____. (For loans with a maturity greater than 12 months, SBA must approve the decrease prior to the lender closing and initially disbursing the loan in order for the guaranty fee owed to be decreased. For loans with a maturity of 12 months or less, there is no adjustment due to any decrease or cancellation.)
- Request that SBA approve a decrease in the guaranty percentage from ____% to ____%. (For loans with a maturity greater than 12 months, SBA must approve the decrease prior to the lender closing and initially disbursing the loan in order for the guaranty fee owed to be decreased. For loans with a maturity of 12 months or less, there is no adjustment due to any decrease or cancellation.)
- Inform SBA that the entire loan has been cancelled.
- Inform SBA that the loan maturity has been changed from ____ months to ____ months. New maturity is __/__/__. If the extension goes from a 12 month maturity to a maturity longer than 12 months, the additional guaranty fee of \$ _____ is attached/has been forwarded to Denver.

For SBA loans that have been closed and initially disbursed. The Lender certifies that this request complies with SOP 50 10, SOP 50 50 and/or any applicable program guide:

- Request that SBA approve an increase in the loan amount from \$ _____ to \$ _____ (Additional guaranty fee in the amount of \$ _____ is attached/has been forwarded to Denver.) For SBAExpress, Community Express and Patriot Express, *for any increase more than 33 percent, the lender certifies that the request is for the original purpose of the loan, the lender has analyzed the repayment ability of the borrower using current financial information and repayment ability exists.*
_____ (initials)
- Inform SBA that \$ _____ of the approved loan has been cancelled. (No adjustment in guaranty fee permitted.)
- Inform SBA that the loan maturity has been changed from ___ months to ___ months. New maturity is ___/___/___ . If the extension goes from a 12 month maturity to a maturity longer than 12 months, the additional guaranty fee of \$ _____ is attached. (Once SBA changes its records to reflect any approved extension of maturity beyond 12 months, the additional guaranty fee is earned and cannot be refunded.)
- Extend final disbursement date to ___/___/___ . *Not applicable to EWCP loans.*

Other Information needed by SBA to update its records:

- The legal name of the business has been changed to: _____
- The trade name of the business has been changed to: _____
- The borrower's business address has been changed from _____
to _____.

For any change in loan amount or guaranty percentage, attach a memo or e-mail message that explains the reason for the change. For any actions other than those listed above that require SBA consent, do not use this checklist. Send a written request in a faxed memo or e-mail message conforming to the guidelines set forth in the Loan Servicing Request Guidelines from the Commercial Loan Servicing Centers. For all other servicing actions permitted by SBA to be taken by a lender under any delegated authority, no notice is required to be given to the SBA. A list of these servicing actions is found in SOP 50 50 4B, Chapter 4.

(Notices, SOPs, and regulations are located at www.sba.gov/aboutsba/sbaprograms/elending.)

By: (Name, Title) _____

Date _____

The estimated burden for completing this form is 5 minutes. You are not required to respond to any collection of information unless it displays a currently valid OMB Control Number. The number for this collection is 3245-0348. Comments on the burden estimate should be sent to U. S. Small Business Administration, Chief, AIB, 409 3rd Street, SW, Washington, DC 20416. PLEASE DO NOT SEND FORMS TO THIS ADDRESS.

E-TRAN

All lenders are strongly encouraged to utilize E-Tran for loan Servicing actions. At present, E-Tran may be utilized by lenders to cancel loans and make loan name changes. In the near future, additional loan servicing actions will become available through E-Tran.

E-Tran will enable lenders to make the loan servicing Changes without any sort of paper submission to the SBA.


- **Cancel undisbursed loans.**
- **Changes to maturity (prior to disbursement, Standard 7A lenders will require SBA approval before making changes).**
- **Change loan from revolver to term or vice versa.**
- **Change legal/trade name or address.**

E-TRAN in the loan servicing world

- **Ultimate goal is to enable lenders to handle ALL unilateral servicing actions (address changes, name changes, etc.) via E-TRAN.**
- **E-TRAN lenders will also have the ability to view the status of their loans post-origination (maturity date, loan payments, etc).**
- **Guaranty Fee calculator built into E-TRAN servicing module.**
- **Instant turn around on loan servicing actions.**
- **Competitive Advantage: Ability to respond in the market place and approve loan changes in an expedited manner.**
- **Overall programming is very “user friendly” and easy to learn.**
- **Instant validation provides comfort that there are no errors in data entry.**

https://eweb.sba.gov/gls/dsp_login.cfm?errmsg=You%20have%20successfully%20logged%20out%2E%20To%20return%20to%20any%20page%20in%20this%20system%2C%20you%20must%20log%20in%20again%2E

U.S. Small Business Administration [Help](#)



General Login System You have successfully logged out. To return to any page in this system, you must log in again.

- [Forgot User ID?](#)
- [Forgot Password?](#)
- [Instructions for GLS](#)
- [Request SBA User ID](#)
- [Contact SBA Security](#)

SBA Account Login

User ID:

Password:

[Text Only](#)

E-Tran Continued



Help

General Login System

• [GLS Login](#)

User ID:

Login Information

Name:

(First)

(Middle)

(Last)

(Suffix - Jr, Sr, I, II, etc)

Date of Birth:

PIN:

(Personal Identification Number, Last 4 Digits of SSN)

Contact Information

Country:

Zip+4 Code:

Street 1:

Street 2:

City Name:

(State)

Phone Number:

(Country) (Area Code) (Phone Number) (Extension)

(US is 1)

(999-9999)

E-Mail Address:

Re-enter E-Mail:

E-Tran Contact Information

Steve Kucharski (stephen.kucharski@sba.gov)
(202) 205-7551 or

Glenn Hannon (glenn.hannon@sba.gov)
(202) 205-7122

Documentation Requirements for Actions taken within Lenders' Unilateral Servicing Authority

When taking any servicing/liquidation actions not requiring SBA's prior written consent, please take great care to document the justifications for your decisions and retain these and supporting documents in your file. Such documentation will be crucial to SBA's review of your handling of the loan and for SBA's determination as to whether your actions were prudent, commercially reasonable, and complied with all Loan Program Requirements. This same documentation and justification is also crucial to facilitate the comprehensive SBA review of purchase packages and liquidation wrap-up reports which Lenders must submit to SBA at the completion of liquidation.

Non-delegated actions that require prior SBA approval

As set forth in 13 CFR 120.536, the following servicing actions require SBA's prior written consent:

1. Increases to the principal amount of a loan.
2. Any action that confers a preference on the lender or engages in an activity that creates a conflict of interest.
3. Compromises on the principal balance of a loan.
4. Taking title to any property in the name of SBA.
5. Taking title to environmentally contaminated property, or taking over operating and control of a business that handles hazardous substances.
6. Transfers, sells or pledges more than 90% of a loan.
7. Action for which prior written consent is required by a Loan Program Requirement.

Servicing the SBA loan, the basic rule of thumb

- **Loan servicing actions are governed by SOP 50-50-4**
- **Lenders must use “reasonable care”**
- **Lenders must act as “prudent lenders”**
- **Lenders must service SBA loans with the same degree of care used in servicing it’s non-SBA loan portfolio.**

Questions????

