



**J.R. Bruno**  
& ASSOCIATES



Consultants to the Business Lending Community  
SBA and MBL Specialist

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Business Lending News

## SITE VISITS PLAY MULTIFACETED ROLES

As part of our comprehensive training to new SBA and business lenders, we discuss the many roles site visits play in the process. While the SBA requires Post Closing site visits only when a loan is in default, as a "Best Practice," we recommend that lenders do them annually, even for loans in good standing.

When it comes to site visits, going above and beyond is good policy. On an annual site visit, your institution has an opportunity to collect the annual financials in person: "We understand that you might not have had a chance to send these in, so we'll be happy to take them now." It's also a great opportunity to inventory the collateral securing the loan. If you make the site visit after reviewing the annual financials, this is a fine time to verify the information, discuss any red flags with the owner, and review the overall business against the financial performance. And what better way to identify a problem loan before it shows up on the books and make the necessary adjustments with the borrower to prevent delinquency issues?

For your relationship officers, the site visit provides a way to see if the borrower has other needs, your institution can assist with, such as payroll accounts, lines of credit, or refinancing of equipment leases. This would also give a relationship officer who's taking over a portfolio the opportunity to introduce themselves and size up the borrower and assess their needs.

Now for the nitty-gritty. **Defaults.** The SBA requires a site visit within 60 days of payment default. This is when you collect all the necessary information and verify the on-site collateral against the Fixed Asset List the borrower provided at origination. **Deferments.** If your institution has granted the borrower a deferment, the SBA expects you to perform regular site visits during the deferment period. According to [SOP 50 57](#), a lender may "defer payments on a business loan for a stated period of time ..." The deferment period varies on whether the loan is sold or unsold, with the details covered in the SOP. In any event, your institution as the lender must monitor the borrower's operations during the deferment period through various means including phone calls, site visits, and monthly statement reviews.

Of course site visits are just one topic our JRB Team covers in our lender training sessions. At [J.R. Bruno & Associates](#), we're known for our team training. What makes us different: Training isn't limited to one session. Ours is a comprehensive education that prepares your staff to run a successful SBA and business lending program. Like all our programs, training is based on client needs. Some most-requested subjects include, SBA loan program guidelines and eligibility, writing comprehensive loan memorandums, underwriting and business financial statement analysis, packaging, processing and documentation - and much more.

For more information about our training program and our full array of lender services, feel free to contact me directly by [email](#) or phone, 626.688.2125. I look forward to discussing your institution's needs!

*Joanna*

Joanna Bruno  
President  
**J.R. Bruno & Associates**  
870 Market Street, Suite 462  
San Francisco, CA 94102  
415.362.1200  
626.688.2125 cell  
[joanna@jrbrunoassoc.com](mailto:joanna@jrbrunoassoc.com)

**Visit us at** [www.jrbrunoassoc.com](http://www.jrbrunoassoc.com)