

TICKLER REPORTS: DON'T LET THEM GET AWAY FROM YOU

The good news: Things are picking up and your financial institution is booking new SBA and business loans. Yet as you know, booking the loans is just the beginning. Maintaining the portfolio is critical. You book each loan's key milestones into your tickler system so Tickler Reports can help you monitor items including financials and other loan covenants, receipt of recorded documents, and updated 3rd party reports such as title policy, appraisals, environmental reports, and UCCs.

It's a massive amount of information. So Tickler Reports are an essential part of loan file maintenance and due diligence. Are you on top of your Tickler Reports? The person responsible for monitoring them must update and review these reports regularly - or they can get away from you quickly. And the consequences aren't pretty.

Some reasons for keeping your Tickler Reports up to date:

- If you haven't maintained updated financials and tax returns, you could miss a decline in a business or an individual's cash flow and the loan could be downgraded and a potential charge off. For SBA loans, this will put your guaranty at risk.
- If you haven't made sure insurance coverage is current and there's a fire at the business, your loan is toast along with the business!
- During your financial institution's safety and soundness exam the examiner will normally ask if you maintain a Tickler Report, especially if your files are missing updated information. If you've stayed on top of things, there could be a mitigating factor here. Your Tickler Report could document that you've tried to contact the borrower.
- At liquidation, your financial institution could lose your security/SBA guaranty due to improper collateral perfection or loss of equity. For SBA loans, requirements to document and monitor all servicing and liquidation Loan Action decisions in loan files or computer tracking systems are spelled out in SOP 50 57, Chapter 3, Lender Responsibility.

Tickler Reports can get away from you fast. Once they do, it's hard to catch up. The time it takes to go back and review each loan file to ensure all tickler items are addressed far exceeds what it takes to stay updated as you go along. We can take a load off your mind - and your resources. Our JRB Team of former financial institution executives and SBA experts can conduct a thorough loan portfolio review - and check your Tickler Reports to ensure accuracy. Give me a call at 626.688.2125 to discuss your specific needs. Or check out our full range of services at www.jrbrunoassoc.com.

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

Visit us at www.jrbrunoassoc.com