

**NewsFlash: SBA Loan Centers Latest & Greatest**

What's that they say about hot off the presses? Chances are we're among the first to alert you to the SBA's Loan Centers Coming Attractions for later this year and early 2012. On August 23 we attended an SBA Roundtable held for the Santa Ana District Office. Director of Office Finance Program Operations John Miller who oversees all SBA Loan Processing and Servicing Centers shared important information about upcoming changes.

Here's the scoop from his presentation:

**Coming Soon...**

- Saying good-bye to faxed applications...
  - Effective in October 2011, all PLP and Express loan applications must be submitted thru E-Tran
  - Slated for Spring 2012: E-Tran for General Participant(GP) lenders
  - E-Tran support will be available from District Offices and Loan CentersTaking the E-Tran - Electronic Loan Processing/Servicing - will fast-track your way to reduced turnaround time on loan guaranty requests, and increased efficiency and decreased costs on loan guaranty origination and servicing processes.
- As of October 2011, 7(a) Loan Modifications will move to the Citrus Heights LGPC. Modifications to loans in approval status will no longer be processed in Little Rock and Fresno. So if you're approved but not funded there won't be holds of up to two weeks before submitting to the SBA. Modifications will go back to Citrus Heights for speedier processing.
- Targeted for Fall/Winter 2011: The SBA is developing a TAB system for applications, making for easy, streamlined processing. Rather than following a checklist, application TABS will enable a systematic process, just as a TAB system has made the liquidations/guaranty purchase process easier. In addition to allowing the process to run more smoothly, the new TAB system should reduce the number of screen-outs.

**Lenders Take Note...**

Miller detailed the top reasons for 7(a) application screen-outs:

- Form 4 or 4-I incomplete
- Collateral shortfall - inadequate explanation of assets available but not taken as collateral
- 912 incomplete or missing
- Life insurance not addressed
- Personal financial statement incomplete
- Derogatory credit without explanation
- Credit memo missing information or difficult to read
- Interim balance sheet missing
- Interim income statement missing
- He also noted the great job the Citrus Heights Center has done in significantly reducing the number of 7(a) application screen-outs. A year ago the screen-out rate was 80%, with half those applications having multiple screen-outs, in turn generating multiple SBA lender screen-out notices. A year and lots of effort later the screen-out rate is 40%.

So keep a look-out for these upcoming SBA Notices. At J.R. Bruno & Associates, we'll continue to communicate information and resources to make your SBA and business lending programs successful and profitable!

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