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Business Lending News

## NAGGL ANNUAL LENDERS CONFERENCE: OUR TAKE-AWAYS

NAGGL's Annual Lenders Conference has always been a forum for SBA lenders, lender service providers and SBA leadership to discuss key issues affecting the SBA lending community. Discussions at this year's Conference held October 31- November 2 in Scottsdale, Arizona focused on many substantive and important issues.

Our JRB Core Team attended the conference in full force. From our perspective, discussions were more substantive in some respects than in previous years.

The tone of the conference was on the changing climate toward the SBA in Washington, D.C. Here's why: SBA lenders are doing their jobs - and then some - in providing small business loans. In fact, SBA lending set records, with 70,000 7(a) and 504 loans totaling \$29 billion in FY 2016. Great news. Yet as a result, there's increased concern on The Hill that SBA's lender oversight isn't matching the program's rate of growth. The upshot: Congress is calling for more oversight of the program.

SBA is responding with some of the steps listed below. And we'll likely see a few more changes down the road. Watch for eBulletins focusing on these issues in more detail over the next weeks and months. For now, our NAGGL take-aways:

- Office of Credit Risk Management (OCRM) Updates
  - SBA growth over the past three years has been consistent (approx. \$75 billion to \$78 billion in dollar volume increase over the most recent year)
  - OCRM says the portfolio is stable based on their PARRiS analytics. Previously 91% of the portfolio was performing well. Now that number is 94%.
  - Heads up: This year, OCRM intends to perform more of the targeted reviews, which focus on your loans at an individual loan file level. Targeted reviews will most likely focus on eligibility, documentation, disbursement and servicing of the loans themselves. This is a move away from their analytical reviews which focus more on portfolio performance as a whole, procedures, policies, and reporting.
- SBA kicked off a re-branding of the 7(a) and 504 loan programs with a soft launch at NAGGL. Watch for an Information Notice coming soon!
  - SBA 7 (a) is now SBA Advantage Loan
  - SBA 504 is now SBA Grow Loan
  - SBA is looking at a seamless transition. So all forms with 7(a) and 504 headings will be accepted.
- Herndon NGPC continues to focus on the back-log of delinquent receivables (loans in liquidation status still needing to be charged off). Lenders have 12 months left on the initial deadline - set when the new SOP 50 57 2 was issued - to settle these issues.
- Citrus Heights LGPC is making SBAOne processing a priority over E-Tran. They're refocusing on inventory processing to increase turnaround time which has slowed in recent weeks.

**And wait, there's more:** SBA has issued SOP 50 10 5 (I), effective January 1, 2017. Among its provisions are revised Franchise Policy Review processes and changes to Credit Elsewhere. Major provisions are covered in the 12-page [SBA Information Notice 5000-1399](#). Watch for our perspectives on key aspects of SOP 50 5 (I) in upcoming JRB eBulletins!

We'll keep you posted as information becomes available. And as always, our JRB Team is here to discuss your SBA program and to help you navigate the process. [Contact JRB!](#)

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