



LOAN REVIEWS: A HOT TOPIC - HERE'S WHY!

In working with SBA and business lenders across the country, questions about the need for loan reviews have come up again and again. As a lender, you have reason to be concerned - and to consider annual portfolio reviews to make sure you're prepared for all contingencies. Here's a recap of the reasons for the increased focus on loan portfolios along with the answers to common questions we've come across:

With the changes to [SOP 50 57 2](#) Servicing and Liquidations, effective since December 2015, and the new [Affiliation/ Franchise Rule](#) issued last month, it's important to review your policies and procedures to make sure you've adapted to the changes. And with OIG closely monitoring SBA's repurchases of guarantees, the extra set of eyes will help your guaranty stand up to scrutiny if one of your loans is chosen.

An annual review of your portfolio will give you that added peace of mind. Among other benefits, you'll be better able to:

- maintain a handle on your policies and procedures to ensure they comply with the latest SBA requirements;
- identify weaknesses in your processes and procedures that may require additional training;
- gain time to correct deficiencies instead of finding out at repurchase that you have deficiencies that can lead to repair or denial of the guarantee.

How much of your portfolio should you review? Because goals and priorities vary among institutions, the percentage of your portfolio to be reviewed depends on your institution's specific situation. If your institution is experiencing steady growth, we can recommend that you have a portion of the portfolio reviewed. If you have experienced considerable growth, we would also recommend that you have the new loans for the year reviewed.

Beyond the Loan Review. As always, we can go the extra mile. In addition to performing your loan review, our JRB Team can assist in updating your policies and procedures, provide custom staff training addressing your review findings, and assist your lending team in correcting any deficiencies found during your review. For more information about our loan review service or any of our array of services, [Contact JRB!](#)

We look forward to hearing from you to discuss your organization's SBA and business lending programs.

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