



## WATCH THOSE SCREEN OUTS!

### BETTER YET: STAY AWAY. HERE'S HOW!!

You've heard this stuff: "Measure twice. Cut once." "The definition of insanity is doing the same thing over and over and expecting a different result." Non-Delegated (General Partner) Lenders: If you're looking for PLP status down the road, the last thing you want is to "measure once" and have a bunch of screen outs from the Loan Processing Center on your record.

No mystery here. Full disclosure, transparency, and attention to detail are the keys to avoiding screen outs at loan origination. Importantly, be aware of all the requirements in SOP 50 10 5 (I). Further, SBA has a list of [Top Reasons for Screen Outs on Originating SBA Loans](#) on the SBA website. Top of the list: Incomplete or Missing Information, including Forms 1919 and 1920 incomplete or not signed, and a laundry list of incomplete items on Credit Memos. Also included are screen out items in the areas of Refinancing, Business Acquisition and Franchises.

#### Avoiding Screen Outs: Quick Tutorial:

- Submit complete applications the first time.
- Resolve all eligibility issues before submitting the loan, and make sure all eligibility areas are addressed in your Credit Memo.
- Make sure all forms are complete.
- Address all sections of the credit standards for 7(a) loans \$350,000 or less and those over \$350,000 in your Credit Memo. [See SOP 50 10 5 \(I\), Subpart B, Chapter 4, pgs. 148-149.](#)
- Make sure all elements of your Credit Memo, SBA Form 1920 and your Loan Authorization match.
- Big No No: Do not submit an incomplete application just to "hold your place in line." This will slow your application rather than expedite it. And while SBA staff is combing through your application and documenting screen outs, you'll hold up the process for applications submitted after yours.

**Delegated (PLP) Lenders.** To protect your guaranty, be sure your delegated loans contain the same information in your Credit Memo, all SBA forms and your Loan Authorization. And importantly, make sure you maintain complete files in case SBA calls you out for a PARRIS Targeted Risk-Based Review.

At J.R. Bruno & Associates we've been assisting SBA lenders with credit underwriting, loan packaging and submissions since 1994. Get out ahead of screen outs. Our JRB Team is here for you. [Contact JRB](#)

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