



## CAUTIONARY TALE #2: FORM 1919 OR FORM 912 MISSING OR INCOMPLETE? RARE, BUT IT CAN HAPPEN! WHAT TO DO ...

This month, we continue to address issues that come up only rarely in the course of an SBA loan. In this case, we're looking at situations where there are errors on SBA Borrower Information [Form 1919](#) and/or the Statement of Personal History [Form 912](#) (for older loans) - or where one or both forms are missing altogether. This is important because these forms are required at application and mandatory when submitting the application to the SBA for the purchase of the guaranty.

We generally come across these situations when we're working on liquidations, but they occasionally happen with active loans, often inadvertently. A couple of examples:

- a situation as easy to correct as an unintentionally missed check mark in a box
- a guarantor was added at the last minute and a Form 1919/912 was not collected from them
- a lender acquired an SBA portfolio and the original lender failed to collect the Form 1919/912.

**What to do when information is missing or incomplete.** Importantly, this guidance is not accepted common practice. It is only for the rare occasions when something has been missed:

- If the loan is still performing, go immediately to the borrower and get the form corrected or completed and placed in file.
- If the loan is in liquidation, explain the oversight in a memo to file that can be submitted with the repurchase package to the SBA along with evidence of these three action items:
  - a criminal background check
  - the party's evidence of citizenship/legal permanent resident status at the time of origination
  - a credit check
- If the individual is willing to execute a Form 1919/912 post facto, this could help the SBA determine whether there is an eligibility issue that might affect the guaranty.

At JRB, we continually monitor issues - common and rare - that may arise during the course of SBA loans, from application through servicing and liquidation. [Contact JRB.](#)

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