



'LIKE SANDS THROUGH THE HOURGLASS ...' DAYS ARE NUMBERED FOR SBA'S EXTENDED CHARGE-OFF SUBMISSION REQUESTS

Time is running out for SBA's extended 24-Month Prudent Lending Deadline. The Charge-off Deadline is December 1, 2017. Submissions for Extension Requests are due no later than November 1, 2017, 30 days ahead of the deadline. You'll remember that SOP 50 57 2 established a first-time requirement for lenders to "make every effort" to fully liquidate all purchased 7(a) loans within 24 months of the guaranty purchase and submit a Wrap-up Report within 30 days of liquidation. Failure to comply came with heavy consequences.

With alarm bells going off in the SBA lending community, SBA stepped back a tad. Realizing that sometimes it isn't possible for all loans to be fully liquidated in 24 months, SBA announced a program for extending the deadline:

"Effective with this Semi-annual Report cycle, all lenders with loans in liquidation for more than 24 months from the date of guaranty purchase must send in documentation to support the continued and ongoing activity, and submit a request for extension if you know that the loan will not be fully liquidated by December 1, 2017."

So here we are. You must submit an official 2-Year Liquidation Rule Extension Request form (PDF available from the Loan Centers) for each applicable loan along with documentation supporting your "continuing and ongoing" efforts to liquidate the loan to the appropriate SBA Loan Center no later than November 1, 2017:

- Herndon for all Standard 7(a) loans, CLP and PLP loans approved before January 1, 2014 for more than \$350,000, and EWCP loans. NGPC.2YearExceptions@sba.gov
- CLSC West Fresno or CLSC East Little Rock for all CLP and PLP loans of \$350,000 or less approved after January 1, 2014, Express, ARC, Small Loan Advantage, Community Advantage and Pilot Loan programs. RSC.2YearExceptions@sba.gov LRSC.2YearExceptions@sba.gov

Don't let the sands run out. And don't let your SBA department scramble last-minute to gather your documentation and submit your extension requests. With the deadline looming, now's the time to review applicable loans in your portfolio. And get moving!

At JRB, servicing and liquidations are one of our specialties. We're here to guide you through the process, to help prepare the various tabs and extension requests, and review your submission packages to help alleviate possible screen-outs. [Contact JRB.](#)

Rebecca Mendoza

Senior Associate

J.R. Bruno & Associates
855.572.4722
jrburno@jrbrunoassoc.com
www.jrbrunoassoc.com