



## CHOOSING A LOAN REVIEW PROVIDER: DOING DUE DILIGENCE

In working with clients and in our eBulletins we have continually underscored that it doesn't work to simply close loans and put them on the back burner. Ongoing loan servicing and portfolio management are critical to a successful SBA and business loan program. If your bank decides to outsource to a loan review provider - or for that matter any external resource - the selection process is equally critical.

What to look for. Expertise and experience are givens. And importantly, the provider you choose should have the trust of all parties - your board of directors, executive management, external auditors, and regulators - and maintain free and open communication throughout the process. So let's get started! As a guideline, we suggest asking these general initial questions:

- How long has the reviewer/reviewing company been in business?
- How long have they provided loan review services?
- Is the firm in good standing with the SBA?
- Are their financial resources such to ensure they'll stay in business?
- What are the sizes and locations of their clients?
- How experienced is their staff?
- How long have staff members been with the company?
- Who in the firm will manage your loan review process?
- What background and experience do they have with bank regulators?
- How will they protect the confidentiality of your information?
- Who are their references and what do they have to say?
- Will they provide samples of their report format and work templates?
- Will they serve as a continued resource?

The last thing you want is to have SBA reviewers and/or your regulators come in and find issues that should have been addressed early on. In the case of SBA loans, this could put your PLP status or guarantees at risk. Protect your SBA portfolio. The key: accurate, complete loan portfolio reviews conducted on an ongoing basis by a resource with experience, capability and integrity.

With our consultative approach and expertise, we conduct early and ongoing portfolio reviews, advise and educate staff - and can be available to clients long after the loan review. For additional questions and guidance, you're welcome to call me directly at 626.688.2125 or go to [www.jrbrunoassoc.com](http://www.jrbrunoassoc.com).

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