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Business Lending News

HEADS UP SBA LENDERS: SOP 50 57 VERSION 2 -Servicing & Liquidations - Effective December 1, 2015

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SBA has issued SOP 50 57 2 - Servicing & Liquidations containing key changes to 7(a) loan servicing and liquidation policy and procedures. This latest version of the SOP becomes effective on Tuesday, December 1, 2015. Key changes to SOP 50 57 2 are summarized in SBA Information Notice 5000-1358 dated November 24, 2015. They include:

- A requirement for lenders to complete Prudent Liquidation of 7(a) loans within 24 months from the date of guaranty purchase or;
- 24 months from the effective date of this SOP for loans where lenders are actively liquidating, whichever is later, or;
- receive prior written approval from SBA for extension of that 24-month deadline.
- Clarification to lenders and SBA staff of several issues.

Please alert your SBA lending staff to review <u>SOP 50 57 2</u> in its entirety. Marked up and final versions are on the SBA website. And please direct your questions regarding SOP 50 57 2 to the SBA representative at your local SBA field office.

At <u>J.R. Bruno & Associates</u>, Servicing & Liquidations is one of our specialties. Stay tuned for highlights and a review of key changes to this new SOP from our perspective!

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