



WHAT TO DO ABOUT SBA'S REP FOR 'TOO LONG, TOO MUCH WORK' ...

KEY: SETTING REASONABLE BORROWER EXPECTATIONS!

Likely you've heard it from SBA loan prospects time-after-time: SBA loans take too long and require too much paperwork. As we all know, many small business owners have the perception that SBA loans come with too much hassle and aren't worth the bother. So they don't apply. And your organization loses the business before you get started. What to do?

Of course you know that if you're a PLP lender you have some advantage because SBA approvals come faster than for GP lenders, but the amount of paperwork needed for the files is the same. So, what will help you set reasonable expectations? As consultants working with lenders across the country, we've put together some thoughts on turning these situations around with a little work at managing borrower expectations:

- Be honest. If you're a GP lender, tell the applicant that your organization and the SBA work together to turn loan approvals around as quickly as possible. And importantly, the applicant can help reduce the turnaround time by providing all the facts early on and supplying information when requested.
- Don't shorten your timeline just to please the applicant. It's better to allow the appropriate timeline - and then over deliver by being early. Worst case scenario: You say you can streamline the process when you can't.
- Ask the right questions during the application process. Help the applicant look at their needs and request the appropriate loan amount, term and SBA product. It takes less time to ask questions now than to go back later and possibly change your underwriting and analysis.
- OK so paperwork is never easy. Acknowledge that. Yet sometimes walking clients through the application documents before completion can increase their understanding - and give them peace of mind. Plus, explaining their importance and the consequences of incomplete or missing information can help ensure that what you receive is thorough and correct.
- At application, review the documents you receive carefully. Be on the lookout for missing information, blank fields, answers that could lead to eligibility issues, and the affiliates they forgot to tell you about. The sooner you address these issues, the faster the underwriting.
- Keep clients updated! Ongoing progress reports are critical. Pick up the phone. And don't let a lot of time pass between calls - or you risk applicants thinking their application has fallen through the cracks. Even if the loan is pending approval, let applicants know you have checked, and the Loan Committee or SBA hasn't issued an approval yet.

From the applicant's perspective, their loan should be your top priority because it is their top priority. A little conversation, a bit of explanation, and some updates can go a long way toward helping the process run smoothly and keeping the applicant happy!

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