PURCHASE DEMAND KIT

When all liquidation activity is complete, prepare your purchase demand package in this format to obtain the fastest service possible. This page is fillable. Place your cursor above the line, type the date, then press Tab to go to the next line.

DATE: _____

TO: SBAExpress, Community Express, ExportExpress Purchase Group
Commercial Loan Service Center — Fresno, California

FROM:

_____
[Name of Participant Lender]

_____
[Contact Person]

_____
[Email Address — Required for purchase notification purposes]

RE: **Purchase Demand Kit**

Attached are the following items. I understand that the Center will send a written purchase determination within 60 days of the date shown above. I also understand that should the Center determine to purchase this loan, funds (and an SBA Form 152) will be transmitted within 90 days of the date shown above. If the loan cannot be purchased, then I will also be informed of this in writing.

Tab 1: Written demand.
Tab 2: Wrap-up Report.
Tab 3: Detail of Expenses and Recovery.
Tab 4: SBA Form 1919.
Tab 5: SBA Form 1920.
Tab 6: Wire Instructions with name, mailing and e-mail addresses for payment notification.
Tab 7: Certified Transcript of Account.
Tab 8: Loan Authorization.
Tab 9: Note.
Tab 10: All Security Documents (Security Agreement, Uniform Commercial Code financing statements, guaranties, current lien search if loan is secured, etc.).
Tab 11: Bankruptcy Plan Confirmation (for Chapter 11 or 13 filings).
Tab 12: Bankruptcy Discharge (for Chapter 7 filings).
Tab 13: Bankruptcy Proof of Claim.
Tab 14: Asset Search documenting all collection efforts are complete. (Required for loans with an outstanding balance greater than $25,000.00).
Tab 15. Early Payment Default Information.
Tab 16. Technical Assistance Documentation (Community*Expresss* only).
Tab 17. Type and Duration of Technical Assistance (Community*Express* only).
Tab 18. Market Eligibility Criteria (Community*Express* only).
Tab 19: SBA Form 152 "Participation Certificate" signed in blank. (The form will be completed by SBA finance professionals and returned to lender as confirmation that funds have been ordered by SBA).
Tab 20: SBA Form 1150 "Offer in Compromise" and SBA Form 770 "Financial Statement of Debtor." These forms are only completed if the lender has negotiated an offer in compromise with the debtor or guarantor.
Tab 21: Form 159: Fee Disclosure Form and Compensation Agreement
Tab 22: Public-Private Sector Partnering Survey

Print This Page Print All Pages

Please complete the attached form: "Demand for Purchase and Certification"

Tab 1

(Do not remove this tab from the kit)

DEMAND FOR PURCHASE AND CERTIFICATION

This page is fillable. Place your cursor above the line and begin typing. Tab to go to the next line.

DATE: _____

TO: SBAExpress, Community Express, ExportExpress Purchase Group
Commercial Loan Service Center — Fresno, California

FROM: _____
[Name of Participant Lender]

RE: **Demand for Purchase and Certification**

SBA Loan Number: _____

SBA Loan Name: _____

This constitutes Participant Lender's demand for purchase of the subject SBAExpress loan. In order to speed the purchase process the participant lender makes the following certifications:

* Lender did not contract with any of its own officers, directors, employees or stockholders (10% or greater) to provide liquidation services.

* All liquidation and collection actions have been fully documented for subsequent agency review of the lender's use of the SBA*Express* program. The exception to this requirement would be submission utilizing the expedited purchase procedure.

* Any proceeds of collateral have been properly applied to the loan balance.

* The loan has been serviced and liquidated using generally accepted commercial banking standards employed by prudent lenders and lender has obtained SBA's written consent for all actions where required.

* All collateral has been liquidated or otherwise satisfactorily accounted for.

* All obligors and guarantors have been fully pursued or determined to be judgment proof. No further enforced collection activity would be cost effective unless submitted utilizing expedited purchase procedures.

* The lender used appropriate diligence to ensure that disbursements were used exclusively for business related purposes.

I declare under penalty of perjury that the foregoing is true and correct of my own knowledge and understand that SBA will rely on this demand and these certifications in reaching its decision whether to purchase this loan.

_____ _____
*Name and Title of Bank Officer ** *Date*

** This certification must be executed by an officer of lender with authority to commit funds and bind lender in an amount not less than the original guaranteed percentage of the loan balance at time of purchase.*

Print This Page Print All Pages

Please complete the Wrap-Up Cover Memo on next page and attach it to your separate Wrap-Up Report

Tab 2

(Do not remove this tab from the kit)

WRAP-UP REPORT COVER MEMO

(Attach this to Lender's separate Wrap-Up Report

This page is fillable. Place your cursor over the line and begin typing. Press Tab to move to the next line.

Date: _____

To: U. S. Small Business Administration

From: _____

[Name of Participant Lender]

RE: Wrap-Up Report for SBA Loan Number: _____

SBA Loan Name: _____

SBAExpress Program Guidelines provides on page 24 that a liquidation wrap-up report must contain all the information required by SOP 50-51 (2).

1. Please attach the following information as a separate document exhibit:
   * Briefly summarize the servicing actions taken during collection efforts or recovery:
   * Briefly summarize the outcome of any site visits with the borrower:
   * Briefly summarize the liquidation of collateral.

   Gross Amount Received: _____ $0.00

   Expenses of Liquidation: _____ $0.00

   Net Recovery: _____ $0.00

   Is there a lien on the borrower's residence? If yes, describe your efforts to compromise the debt.
   Did you obtain appraisals of the collateral? If yes, please attach the summary portion.

2. Indicate in your wrap-up report if loan should be processed under the expedited procedure.

3. Identify obligors and or guarantors who are legally liable for the remaining deficiency balance of the loan. If obligors/guarantors are no longer liable, provide the basis for release and uncollectibility (compromised, discharged in bankruptcy, operation of law, etc.). For obligors/guarantors that remain liable, provide their most current addresses and a summary of their financial condition that demonstrates that all collection is complete.
   (Note: The purpose of gathering this information on loan principals is to enable SBA to comply with its mandatory updating of each individual involved in the loan. This data is needed for post charge-off activities conducted by SBA which may include:
   a) referral to DOJ Central Intake Facility for litigation,
   b) referral to private collection agencies for continued collection activities,
   c) referral to IRS and Treasury for offset of any tax refund or other payments due the obligor,
   d) potential federal salary/retirement offset,
   e) reporting deficiency balances to IRS as income,
   f) reporting to credit bureaus, or
   g) inclusion on the federal debarment register (CAIVERS)

4. If attorney fees are claimed, provide copies of counsel's billing statements, the 341 Notice, bankruptcy court orders, discharge or dismissal notices, pleadings, motions, court orders and other documentation that supports the claimed attorney fees.

5. Describe what the bank relied on in determining that collection efforts are complete and that borrowers/ guarantors have been fully pursued and/or are judgement-proof -- except for expedited purchase requests and loans under $25,000.00.

Print This Page Print All Pages

Please provide a Detail of Expenses and Recovery during Liquidation Process here.

Tab 3

(Do not remove this tab from the kit)

Attach SBA Form 1919 that the borrower executed at loan inceptions beneath this Tab.
SBA Form 1919 should be found in the Lender's loan file.

Tab 4

(Do not remove this tab from the kit)

Attach SBA Form 1920 executed at loan inceptions beneath this Tab.
SBA Form 1920 should be found in the Lender's loan file.

Tab 5

(Do not remove this tab from the kit)

Please complete the attached Wire Instructions for Payment Notification beneath this Tab.

Tab 6

(Do not remove this tab from the kit)

WIRE INSTRUCTIONS FOR PAYMENT NOTIFICATION

Tab 6 of your purchase package.

This page is fillable. Place your cursor over the line and begin typing. Press Tab to move to the next line.

Date: _____

To: U. S. Small Business Administration

From: _____
[Name of Participant Lender]

RE: Wire Instructions for SBA Loan Number: _____
SBA Loan Name: _____

A. Bank to receive wire transfer for amounts **over** $5,000:

Name: _____
City: _____ State ____
Contact: _____
Phone: _____

_____
Wire Transfer #

_____
Direct Deposit Account #

B. Bank to receive ACH for amounts **under** $5,000:

Name: _____
City: _____ State ____
Contact: _____
Phone: _____

NOTE: When SBA honors its guaranty, and the amount is $5,000 or less, **funds are not wired — the funds are remitted by Denver Finance Center via ACH *only*. A check for the purchase amount will not be mailed.** Therefore, please provide the following information:

ACH routing transit number: _____
ACH ***checking*** account number: _____
or ACH ***savings*** account number: _____

Colson Information (if secondary):

Date of Default: _____
Interest "paid-to" date: _____
Principal Balance: _____
Interest Rate at time of default: _____

C. Bank to which payment will be further credited (if different from Bank "A"):

Name: _____
City: _____ State ____

D. Payee's Bank (if different from Bank "A" and Bank "C"):

Name: _____
City: _____ State ____

Print This Page Print All Pages

SPECIAL NOTE FOR TRANSCRIPT OF ACCOUNT

SBAExpress program guidelines require that recovery from enforced collection efforts are to be applied 100 percent to the outstanding principal balance with the exception of allowable 120 day interest retention that must be identified on the transcript of account that you submit with your demand as well as the retention of allowable expense.

Please — do not add interest to the principal balance on the Transcript of Account. This delays the purchase because SBA must manually back the interest out, or request a new Transcript of Account, thus delaying payment to you. Please be certain to indicate the day, month and year of default. Month and year alone does not permit the Transcript of Account to reconcile.

Do you have a question regarding how to prepare the transcript of account?
Just call the SBA Finance Professional that is handling your purchase.
It is our pleasure to serve you!

SBA Form 1149 is available in fillable format at the following website (copy and paste this address into your browser):
http://www.sba.gov/sbaforms/sba1149.pdf

Please attach beneath this Tab the Cover Document (on the following page) and SBA Form 1149: Certified and Reconciled Transcript of Account

Tab 7

(Do not remove this tab from the kit)

COVER PAGE FOR CERTIFIED TRANSCRIPT OF ACCOUNT

Please complete the information below, attach it to SBA Form 1149 and place under Tab 7 of your purchase package.

This page is fillable. Place your cursor over the line and begin typing. Press Tab to move to the next line.

SBA Loan Number: _____

SBA Loan Name: _____

Date to which Interest is paid: _____

Loan Balance at "Interest paid to date" _____

What is the date of Note maturity? _____

Next installment due date: _____

Scheduled monthly payment at the time of default: $0.00

Interest rate in effect at th etime of default: _____

Date 50 basis points fee was paid to: _____

Has the 120 days of interest from sale of collateral been retained by the participant? ☐ Yes ☐ No

CONTACT INFORMATION

If SBA has questions regarding this form, whom can we call to resolve those questions so this loan can be purchased?

_____
Contact Name

_____
Contact Telephone Number

Please attach this form as the cover sheet to your Transcript of Account. You may use your transcript ***only*** if it provides SBA with all the same information as SBA Form 1149, Lender's Transcript of Account, which is included in SBA's purchase package.

We're sorry. SBA cannot purchase this loan if the lender's guaranty fee has not been paid within the timeframe required by the Loan Guaranty Agreement (SBA Form 750).

_____ _____
Signature — Certification of Transcript *Date*

Print This Page Print All Pages

Please attach beneath this Tab a copy of the signed Loan Authorization.

Tab 8

(Do not remove this tab from the kit)

Please attach beneath this Tab a copy of the executed Note.

Tab 9

(Do not remove this tab from the kit)

Please attach beneath this Tab copies of all Security Documents
(Security Agreement , Uniform Commercial Code financing statements, guaranties, etc.)

Tab 10

(Do not remove this tab from the kit)

SPECIAL NOTE REGARDING BANKRUPTCY PLAN

The lender has ***three options for payment*** when there is a bankruptcy plan which pays out over a term of years.

Option 1 involves delaying demand on SBA to purchase the loan until the plan pays out. At the end of the plan term, demand can then be made upon SBA for the unpaid loan balance.

Option 2 is to make demand on SBA before the plan pays out. A lender selecting this option may reduce its demand by the total amount that is to be paid over the term of the plan. The lender bears the risk of loss should the plan not be paid as agreed or in the case of a Chapter 7 conversion.

Option 3 is to make demand on SBA utilizing the Expedited Procedure. This procedure is allowed when liquidation is expected to be protracted (generally, 120 days beyond the date of default). Please refer to SBA Procedural Notice 5000-803 for specific situations that allow the use of the Expedited Procedure. When the Expedited Procedure is used, the lender must provide the Agency with a liquidation status report every 180 days until liquidation is concluded. A final Wrap-Up Report is required at the conclusion of liquidation, and the lender must forward to SBA its proportionate share of any recovery proceeds not already submitted.

Do you have questions regarding which option is best for you?
Just call the SBA Finance Professional that is handling your purchase.
It is our pleasure to serve you!!

If the borrower or guarantor has filed a petition for Bankruptcy under Chapter 11 or 13, please attach beneath this Tab a copy of the Bankruptcy Plan and the Confirmation.

Tab 11

(Do not remove this tab from the kit)

If the SBA borrower or guarantor has filed a petition for bankruptcy under Chapter 7, please attach beneath this Tab a copy of the Discharge that the Court has issued to the borrower.

In the case of a corporation, please attach a copy of the court order closing the case.

Otherwise, manually check Not Applicable on this printed page. N/A_____

Tab 12

(Do not remove this tab from the kit)

If the SBA borrower or guarantor has filed a petition for bankruptcy,
please attach a copy of the Proof of Claim you have filed.

If this was a "no asset" case,
attach a copy of the court notice showing that no claims were required to be filed.

Otherwise, manually check Not Applicable on this printed page. N/A_____

Tab 13

(Do not remove this tab from the kit)

If the loan balance that you are asking the SBA to purchase exceeds $25,000.00, please attach a copy of the asset search or other documentation that you relied upon in reaching your determination that all collection is complete.

Otherwise, manually check Not Applicable on this printed page. N/A_____

Tab 14

(Do not remove this tab from the kit)

____NOT APPLICABLE

____On early default loans with principal balances above $10,000 at the time of the purchase request, the lender must provide IRS tax transcripts that it obtained to verify applicant financial information on loans where such information was relied on in the lender's credit analysis (or the seller's financial information in a business purchase situation). Such information is not required if the lender used credit scoring that did not include business revenues or profits. If tax transcripts were required, the lender must indicate whether there were any discrepancies between the applicant/seller financial information and the tax transcripts and, if so, how those discrepancies were resolved. Include those transcripts at this tab.

____A loan is considered an early default if in general, it defaults on payment, or there is a business failure prior to final disbursement — or within 18 months from the date of the final disbursement.

In the case of a revolving line of credit, the period of 18 months would be from the first disbursement date. If such is the case, please submit the information relied upon by the bank at the time of loan approval. Examples would be the Lenders Credit Memorandum and Supporting Documentation and the Risk Management Information.

Tab 15

(Do not remove this tab from the kit)

Initial Management Assessment and Technical Assistance Providers Recommended Action Plan.
(Community*Express* Loan Program only)

If not Community*Express*, please manually check Not Applicable on this printed page. N/A_____

Tab 16

(Do not remove this tab from the kit)

Type and duration of Technical Assistance.
If borrower has declined post-disbursement assistance, please inlcude copies of lender's correspondence encouraging the continuance of assistance.
(Community*Express* Loan Program only)

If not Community*Express*, please manually check Not Applicable on this printed page. N/A_____

Tab 17

(Do not remove this tab from the kit)

Market Eligibility Criteria — Community*Express* Loan Program only.

If not Community*Express*, please manually check Not Applicable on this printed page. N/A_____

Tab 18

(Do not remove this tab from the kit)

ELIGIBILITY CRITERIA

Eligibility for participation in the Community*Express* Program is limited to one or more of the following four categories. Using your mouse, click all boxes of eligibility criteria that you used in making this loan.

- ☐ LMI (Low/Middle Income)
- ☐ Veteran Owned
- ☐ Woman Owned
- ☐ Minority Owned

Print This Page Print All Pages

Attach beneath this tab an executed, blank SBA Form 152 "Participation Certificate."

SBA finance professionals will complete the form and mail it to you as confirmation that the loan has been purchased and funds have been ordered. When you receive this certificate back from SBA, you should begin to monitor your account to ensure that a deposit is reflected.

Tab 19

(Do not remove this tab from the kit)

SBA Loan Number: _____

SMALL BUSINESS ADMINISTRATION

PARTICIPATION CERTIFICATE

_____ (hereinafter called "Bank"), hereby certifies that the Small Business Administration (hereinafter called "SBA"), on _____ (date of SBA's purchase), purchased from Bank a participation of _____% of $_____ representing:

[ ] Immediate Participation
Amount of the disbursement, or the aggregate amount of the disbursements, as the case may be

[X] Guaranty Agreement (Deferred Participation)
Amount of the disbursement, or the aggregate amount of the disbursements, as the case may be, remaining unpaid as of date of SBA's purchase

on account of a loan made by Bank on _____ * to

Borrower: _____

Address (include zip code): _____

in an amount not exceeding $ _____ ** such purchase having been made pursuant to a Participation Agreement (or Guaranty) dated _____, between SBA and Bank.

Dated _____ By _____

[Name of Bank]

_____

[Address --- include zip code]

_____

[Name and Title]

_____

[Signature]

* *Date of individual disbursement in which SBA is now purchasing its participation.*
Date of SBA's purchase is the date Bank makes disbursement to Borrower, or the date Bank receives SBA check, whichever is later.

** *Full amount of loan authorized.*

SBA FORM 152 (9-69) EDITION OF 10-67 WILL BE USED UNTIL STOCK IS EXHAUSTED.

Print This Page Print All Pages

SBA Form 1150 is available in fillable format from the following website (copy and paste into your browser's address line:
http://www.sba.gov/sbaforms/sba1150.pdf

SBA Form 770 can be downloaded from the following website (copy and paste into your browser's address line):
http://www.sba.gov/sbaforms/sba770.pdf

SBA Form 1150 "Offer in Compromise" and SBA Form 770 "Financial Statement of Debtor."

(These forms are only completed if the lender has negotiated an offer in compromise with the debtor or guarantor. An offer in compromise should be thought of as separate from a purchase demand because approval of an offer in compromise must be approved separately by the Agency. However, these documents are provided as a courtesy to the lender with this kit at inception of loan liquidation. If you think that it might be possible to compromise the debt -- and the Agency encourages you to attempt an offer in compromise particularly when a personal residence secures the repayment of the loan -- please submit the offer in compromise in advance of your completed purchase demand kit.)

Tab 20

(Do not remove this tab from the kit)

Please attach copies of SBA Form 159: Fee Disclosure Form and Compensation Agreement.
SBA Form 159 should be found in the lender's loan file.

Tab 21

(Do not remove this tab from the kit)

Public-Private Sector Partnering Survey

Tab 22

(Do not remove this tab from the kit)

U. S. Small Business Administration
Commercial Loan Service Center

Public/Private Partnering Survey

The Commercial Loan Service Center in Fresno ("Center") is striving to become a "Point of Pride" for the SBA by achieving unrivaled levels of quality customer service and compliance with internal controls. The Center also seeks to augment the important marketing work of our sister District Offices. We can only do this through public-private sector partnering in order to become a results-focused organization. By taking a moment to complete this brief survey, you are helping the Center achieve these important goals. Thank you for providing your important feedback.

Using your mouse, click on your desired response to the questions below...

1. When I deal with the Center, I am treated in a professional and courteous manner..
   - ○ Strongly Agree ○ Agree ○ Disagree ○ Strongly Disagree

2. If the Center is unable to approve a purchase, I am given a clear explanation why.
   - ○ Strongly Agree ○ Agree ○ Disagree ○ Strongly Disagree

3. I receive fast service from the Center.
   - ○ Strongly Agree ○ Agree ○ Disagree ○ Strongly Disagree

4. Center Officials seem to be too "rigid" in their reading of the SOP.
   - ○ Strongly Agree ○ Agree ○ Disagree ○ Strongly Disagree

5. The Center is arbitrary when they service loans. I never know what their decision will be when I submit a request.
   - ○ Strongly Agree ○ Agree ○ Disagree ○ Strongly Disagree

6. If I disagree with a decision that the Center makes, I know how to obtain a reconsideration.
   - ○ Strongly Agree ○ Agree ○ Disagree ○ Strongly Disagree

7. My experience with the Center is generally positive.
   - ○ Strongly Agree ○ Agree ○ Disagree ○ Strongly Disagree

8. I feel that Center officials have a "can do" attitude toward the requests that I submit.
   - ○ Strongly Agree ○ Agree ○ Disagree ○ Strongly Disagree

9. Sometimes it seems that the Center makes up rules that I can't find in the SOP.
   - ○ Strongly Agree ○ Agree ○ Disagree ○ Strongly Disagree

I would like for Center Director Joel Stiner to call me at this number: _____

Submitted by: *(optional)*: _____

Comments/Suggestions:

_____

Submit by Email