



# SBA Guaranty Purchase Reviews and Recovery

## **THE CHALLENGE**

When SBA loans default, lenders are presented with the challenge of submitting their loan files to the SBA for review. For lenders that have not faced this before, the process can be both difficult and confusing. Making mistakes in the guaranty purchase submission to the SBA can, at best, result in significant delays in the payment of the guaranty. At worst, it can result in repairs or denials of the guaranty. In addition, lenders involved in the process often discover deficiencies in their files, but are uncertain how to best address those deficiencies with the SBA. A thorough understanding of the SBA's guaranty purchase process and the issues that may result in delays or losses to lenders is essential to successfully navigating these waters and avoiding costly mistakes.

The most unsettling time for SBA lenders is when they face a repair or denial of their SBA guaranty. With the recent trend towards increased regulatory supervision and oversight, the SBA's standards have become significantly more stringent, and the chance that a lender will face a guaranty repair or denial has increased. Additionally, the SBA continues to place ever greater burdens on lenders to ensure that their guaranty purchase packages are complete and accurate, and it is enforcing its requirements with threats of civil, regulatory and criminal penalties for non-compliance. As the stakes have raised, the guaranty purchase process has become an increasingly important component of lenders' SBA lending activities.

## **THE SOLUTION**

Starfield & Smith attorneys have unsurpassed SBA guaranty purchase experience and can leverage the full weight of this experience when addressing their clients' guaranty purchase issues. From advising on submission matters, to performing pre-submission compliance audits, to mitigating file deficiencies, to reviewing and resolving specific guaranty purchase issues with the Agency, Starfield & Smith can guide you through the guaranty purchase process and help ensure that your purchase requests are honored in a timely and equitable fashion.

The SBA's guaranty is your most important piece of collateral. Do not risk losing it. Contact us today to learn how we can help.