



SBA Portfolio Management

THE CHALLENGE

Lenders who have a substantial SBA loan portfolio often find it difficult to evaluate the true value of their assets. The complexity of the SBA's regulations creates uncertainty regarding their ability to collect on the SBA loan guarantee, and the ability of their small business borrowers to repay their loans can change rapidly.

Moreover, many SBA lenders do not have the experienced staff necessary to meet the complex servicing and liquidation needs of their loans. Because guaranty purchase is the last step in the SBA loan liquidation process, lenders typically do not discover that they have made a costly mistake until it is too late to correct the problem. In too many cases, the errors in a lender's portfolio do not come to light until the SBA denies a guaranty purchase request or penalizes the lender with a repair to its guaranty.

THE SOLUTION

Starfield & Smith has designed a Portfolio Management Solution to offer predictable outcomes to SBA lenders that maximize recovery, minimize cost and free up their resources for revenue-generating activities. In addition, because every lender's servicing and compliance needs are different, our Portfolio Management Solution is designed to be modular, so that clients only pay for the specific services they need.

The Portfolio Management Solution consists of five elements: (1) core services, (2) liquidation planning and implementation, (3) litigation services, (4) bankruptcy guidance and representation, and (5) wrap-up services.

The core services module enables clients to maximize their understanding of their portfolio's value by auditing critical information from each loan and identifying compliance deficiencies that might impact guaranty purchase. In doing so, our experienced attorneys provide the lender with an estimate of the likely amount of any reduction to the SBA guaranty, as well as clear guidance on the most effective remedial actions available.

Once the core services module is completed, Starfield & Smith can use the information generated from it to develop additional effective, SBA-compliant solutions for any loans that go into liquidation. Starfield & Smith can prepare detailed liquidation plans, assess any litigation needed, and, if necessary, refer lenders to qualified collections counsel across the country. Where loan obligors have filed for bankruptcy, Starfield & Smith can provide lenders with comprehensive bankruptcy guidance and representation. Finally, where liquidation activities have been completed and a Final Wrap-Up Report is required, Starfield & Smith can leverage its extensive experience to craft a non-controversial Report that presents the loan to the SBA in the most favorable light possible.

The SBA's guaranty is your most valuable collateral. Ensure the integrity of that guaranty throughout the liquidation process. Contact us today to learn how we can help.