



SBA and USDA Loans

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Three SettlePou attorneys have several decades of combined experience as former in-house SBA counsel and lead the way for SettlePou's representation of many of the nation's most active Small Business Administration and USDA lenders to protect the SBA or USDA guaranty. All of the attorneys and paralegals in the creditors rights and bankruptcy section have extensive training and experience with SBA procedures, litigation, and liquidation. Our active role in these credits begins with a pre-purchase examination of the lender's credit and loan files to ensure compliance with the SBA Authorization or USDA Loan Note Guarantee for proper loan documentation, real estate and UCC lien perfection, life insurance and collateral assignments, collateral protection, borrower cash injection, individual guaranties, proof of proper loan disbursements, seller and landlord lien subordination and standby agreements, and similar requirements that, when missed, may jeopardize the SBA or USDA guaranteed portion of the loan. We then advise SBA and USDA lenders early, before taking action for collection actions with the SBA for purchase or payment of the SBA or USDA guaranty.

Next, we participate with our SBA and USDA lender clients in the guaranty purchase process including, for instance, when communicating with the SBA National Guaranty Purchase Center regarding purchase of the guaranty or repurchase of the loans from the secondary market. This includes our advising lenders in connection with preparation of the Liquidation and Litigation Plans that satisfy the requirements for support by the relevant agencies, including the SBA's District Counsel upon review of the Litigation Plan for prudent legal action with reasonable legal fees under the strict guidelines set by these agencies.

Finally, SettlePou combines its thorough understanding of the SBA and USDA regulations and operating procedures with commercial collection, workout, foreclosure, and bankruptcy representation, resulting in value-added services that are geared toward effective collection efforts while preserving the government guaranty.