



Servicing and Liquidation Actions CDC Matrix

All actions require SBA notification.
 Actions that require prior SBA approval are identified.

"X" = Requires prior SBA approval

PCLP CDCs	Non-PCLP CDCs
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Loan Program Integrity Matters - Chapter 1

Take any action that requires an exception to policy:	X	X
Take any action that confers a Preference, or results in the appearance of a Preference on a CDC, an Associate of the CDC, Third Party Lender, or an Associate of the Third Party Lender	X	X
Take any action for which SBA's prior written consent is required by another Loan Program Requirement	X	X

Environmental Risk Management - Chapter 5

Take title to Contaminated property in SBA's name	X	X
Take title to Contaminated property in CDC's name	X	X
Take control of business that handles Hazardous Substances	X	X
Take control of business located on Contaminated Property	X	X

Modification of Note - Chapter 7

(Cannot be done prior to Debenture purchase)

Change payment due date		X
Change installment amount		X
Change interest rate		X
Extend maturity date		X
Increase loan amount	X	X

Modification of Collateral Requirements - Chapter 8

Subordinate lien position		X
Substitute Guarantor or Co-Borrower		X
Substitute collateral		X
Release lien on collateral w/ FMV ≤ 10% of Debenture amount or \$10,000		
Release of lien on collateral w/ FMV ≥ 10% of Debenture amount or \$10,000		X
Release of Guarantor or Co-Borrower on loan in regular servicing		X
Release of Guarantor or Co-Borrower on loan in liquidation (treat as OIC)	X	X
Sell Operating Company when EPC retains ownership of Project Property	X	X
Release condemnation proceeds		X

Insurance Coverage - Chapter 9

Modify requirements		X
Force-place coverage		X
Endorse checks ≤ \$100,000		
Endorse checks > \$100,000		X
Release proceeds > \$100,000		X



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Modification of Management Covenants - Chapter 10

Modify financial statement requirements		X
Modify restrictions on compensation, dividends, fixed assets, etc.		X
Modify standby agreements		X
Allow payment to standby creditor		X
Release of claim against standby creditor		X

Assumption or Sale of Loan - Chapter 11

Allow assumption of loan		X
Transfer, sell, or pledge loan	X	X

Deferments - Chapter 12

Defer ≤ 6 cumulative months payments or 20% of original loan amount		
Defer > 6 cumulative monthly payments or 20% of original loan amount		X

Delinquent Secured Senior Loans - Chapter 13

Advance payment to bring senior loan current	X	X
Purchase or pay off senior loan	X	X
Establish Protective Bid amount and enter it using Treasury check	X	X
Take "No Bid" position at senior lienholder's foreclosure sale	X	X
Exercise redemption rights using Treasury check	X	X
Collect excess proceeds from foreclosure sale on behalf of SBA		

Classifying Loans in Liquidation - Chapter 14

Accelerate Note		X
Classify loan in liquidation		X
Send demand letter		X
Implement Liquidation Plan or amended Liquidation Plan		X
Return loan to regular servicing status	X	X

Workouts - Chapter 17

Implement workout agreement (Cannot be done prior to Debenture purchase)		X
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Administrative Wage Garnishment - Chapter 18

Initiate, modify, suspend or terminate	X	X
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Federal Salary Offset - Chapter 19

Initiate, modify, suspend or terminate	X	X
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Collateral Liquidation - Chapter 20 & 21

Release lien on collateral w/ FMV ≤ 10% of Debenture amount or \$10,000		
Release of lien on collateral w/ FMV ≥ 10% of Debenture amount or \$10,000	X	X
Allow voluntary sale of collateral by Obligor		X
Accept deed-in-lieu of foreclosure	X	X
Initiate judicial foreclosure (Requires assignment of Note & deed of trust or mortgage)	X	X
Initiate non-judicial foreclosure (Requires assignment of Note & deed of trust or mortgage)	X	X
Collect rents on behalf of SBA		
Collect accounts receivable on behalf of SBA		
Surrender life insurance policy for cash value		X
Appoint receiver (Requires SBA – approved Litigation Plan)	X	X
Approve short sale with 100% of net proceeds to TPL or 504 Loan and no release of Obligors		X
Approve short sale with less than 100% of net proceeds to TPL or 504 Loan	X	X
Approve short sale with release of Obligors	X	X
Initiate eviction proceedings- Routine Litigation		X
Initiate eviction proceedings - Non-Routine Litigation	X	X
Abandon collateral with Recoverable Value <\$10,000 real property/ <\$5,000 personal property		X
Abandon collateral with Recoverable Value ≥\$10,000 real property/ >\$5,000 personal property (Requires exception to policy.)	X	X

Acquired Collateral - Chapter 22

Take title in SBA's name	X	X
Take title in CDC's name	X	X
Sell acquired collateral	X	X
Lease acquired collateral	X	X
Abandon acquired collateral	X	X

Offer in Compromise - Chapter 23

Compromise any portion of loan (principal balance or accrued interest)	X	X
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Litigation - Chapter 24

Implement or amend Litigation Plan	X	X
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Expenses and Recoveries - Chapter 25

Recoup Recoverable Expenses (liquidation and litigation)	X	X
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For additional information, please visit the Commercial Loan Service Centers' website where you can find contact information for your local CLSC, answers to frequently asked questions, and links to relevant SOPs, forms, and templates for commonly requested servicing actions.