



U.S. SMALL BUSINESS ADMINISTRATION
 P.O. BOX 000, ROOM XXX
 FEDERAL BUILDING, U.S. POST OFFICE
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 CITY, STATE 0000-0000

TELEPHONE: (000) 000-0000
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TO: **504 Program Branch, OCRM**
Copy to: 504 Program Branch, OFA (if including NEW applications for ALP/PCLP/LEA/Multi-State status)

THRU: _____, District Director

THRU: _____, District Counsel

FROM: _____, Lender Relations Specialist

DATE: Month XX, 20XX

SUBJECT: <Legal Name of CDC> <Fiscal Year> Annual Operational Review

CDC Contact: <Primary Contact Person>

Address

City, State ZIP

V (XXX) XXX-XXXX F (XXX) XXX-XXXX

Email: XXXXXXX@XXXX.XXX

CDC STAFF: Executive Director Name (Staff/Contractor)
 Marketing Principal Name (Staff/Contractor)
 Packaging Principal Name (Staff/Contractor)
 Servicing Principal Name (Staff/Contractor)

Indicate Type of Submission (s):

Complete the following Section:

_____ Annual Report (AR) Only	<i>Operational Review only</i>
_____ also with ALP or PCLP Application	<i>Operational Review and Appendix IA & B only</i>
_____ also with ALP or PCLP Renewal	<i>Operational Review and Appendix IB only</i>
_____ also with LEA Application	<i>Operational Review and Appendix IIA only</i>
_____ also with Multi-State Application	<i>Operational Review and Appendix IIB only</i>

Section I. CDC Operations

I.A. Program activity (CDC Fiscal Year)	
1. How many 504 loans were approved?	00
2. How many 504 loans were closed?	00
3. How many jobs are estimated to be created or retained?	<2 years - 0,000 2+ years - 0,000
4. What is the total average debenture investment per job?	\$00,000
5. Does this CDC invest in other economic activity?	Yes/No If so, provide explanation of how excess 504 revenue is reinvested in economic development.

6. How many other SBA loans did the CDC package?	0	List Type: _____
7. How many non-SBA loans did the CDC package?	0	List Type: _____
8. How many of the CDC's 504 loans became delinquent by two or more payments?	0	
9. Did the CDC initiate servicing actions and inform SBA of problems, status and actions?	Yes/No, Little Rock/Fresno CLSC	
10. Did the CDC follow up with the problem loans and document efforts towards workout, deferment or assumption in cooperation with SBA?	Yes/No, Little Rock/Fresno CLSC	

I.B. CDC Organization (Complete and Attach Board Composition Matrix)		
1. Explain staff changes, if any.		
2. If CDC staff changes were made, were you provided copies of SBA 1081, fingerprint card and résumé?	Yes/No	
3. Has the CDC reported changes in the membership of its Board of Directors?	Yes/No; If Yes, explain: _____	
4. Do Directors from the commercial lending field comprise less than 50% of the total Board?	Yes/No	
5. If Board has less than 9 members, did the CDC request and receive approval from the SBA?	Yes/No	
6. Is there evidence the Board met at least 4 times this year?	Yes/No	
7. Does CDC delegate management responsibilities?	Yes/No	
8. Does the CDC have any affiliates?	Yes/No; If Yes, explain: _____	
9. Did CDC provide the required written annual certification by each Board member that he or she understands the requirements set forth in 13 CFR 120.823?	Yes/ No	
10. Is the CDC Board of Directors in full compliance with 13 CFR 120.823?	Yes/No; If No, explain _____	

I.C. CDC Financial Capability		
1. Are CDC financial statements in accordance with GAAP?	Yes/No	
1a. Are the financial statements (Reviewed/Audited) by an Independent CPA?	Yes/No	
1.b. If any of the CDC's staff is provided by an affiliate of the CDC, and/or if an affiliate subsidizes the CDC's operations, did the CDC provide a copy of the financial statements of the affiliate? Financial statements must be audited or reviewed in accordance with GAAP.	Yes/No	
2. Evidence of adequate Loan Loss Reserve Fund requirements (PCLP CDCs)	[CDC Name] has bank account with [\$dollars] which [is less than/equal to/exceeds] the 1% requirement of the original principal amount for each PCLP debenture.	

3. Are current year revenues and expenses consistent with those for prior years?	Yes/No
4. If the CDC lost revenue from one source, what was the source?	Yes/No
5. Do the financial statements indicate that the CDC has financial capability to market, package and service the loans?	Yes/No
6. Have any legal actions been filed against the CDC?	Yes/No
7. Were there any changes in By-laws or Articles or any changes in the CDC's legal structure, corporate governance, or delegated lender status?	Yes/No If so, please explain.
8. If not, did they provide a signed certification that no changes were made?	Yes/No

<u>I.D. CDC Reports</u>	
1. Was the CDC's annual report filed in a timely manner?	Yes/No Date filed: _____
1a. Are the most recent Federal tax returns included?	Yes/No
1.b. Did the CDC provide the required Report on Compensation (including salary, bonuses and expenses) paid within the CDC's most recent tax year for current and former officers and directors, and for current former employees and independent contractors with total compensation of more than \$100,000 during that period?	Yes/No

Section II - Overall Rating of CDC

II.A. Loan Applications

All CDC applications are submitted to the Sacramento Loan Processing Center (SLPC) and they report:

[Include SLPC comments here], including a quote from representative at SLPC describing CDC's successes and needs for improvement with respect to completeness of loan packages, staff credit analysis abilities, and knowledge of policies and procedures.

II.B. Closing Documents

The following is an assessment from **[District Office Name]** District Counsel relating to the CDC's closing documents:

[Include District Counsel comments here], including an evaluation of the CDC staff's capability and, if applicable, the CDC's Designated Attorney performance related to loan closing

II.C. Servicing Actions

The Little Rock/Fresno Commercial Loan Servicing Center reports the following:

[Include Commercial Loan Servicing Center comments here], including an evaluation of the CDC staff's servicing capability and performance (include comments from the appropriate servicing center(s), including the number of servicing actions);

II.D. Documentation Servicing Actions

The Fresno/Little Rock Servicing Center reports the following regarding the CDC's servicing actions:

[Include CLSC comments here], including an evaluation of the CDC staff's capacity and any issues that may be occurring with servicing actions.

Section III - Problem Situations

- III.A. Have written comments been attached to this review? Yes/No
- III.B. Has this review and comments been discussed with the CDC? Yes/No
- III.C. Do you recommend that the CDC be decertified? Yes/No

Section IV – Approval

Based on the above information ([name of CDC]) is compliant with terms of the SBA 504 loan program and its administration.

Signatures:

[Name]
ADD/ED

Date

[Name]
District Counsel

Date

[Name]
District Director

Date

CDC Board of Directors Membership Composition Matrix

	Director's Role & Committee Membership				Director's Background & Expertise					
No.	Director's Name	Voting (Y/N)	Exec. (Y/N)	Loan (Y/N)	Commercial Lending	Workforce, Community or Economic Development	Financial Risk Management	Corporate Governance	Legal Issues relating to Commercial Lending	Internal Controls
1										
2										
3										
4										
5										
6										
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9										
10										
11										
12										