

**American Banker Op-Ed**  
**SBA Administrator Karen G. Mills**

Some of the SBA's most crucial partners are the thousands of lenders who underwrite billions of dollars in SBA loans every year. Together, we are helping America's small businesses keep their doors open while growing and creating jobs.

Already, SBA's lending partners have supported more than \$4 billion in loans to small businesses in the first 100 days of the Recovery Act, taking advantage of the increased guarantee and reduced fees in our most popular loan programs. In fact, hundreds of lenders are returning to SBA programs, many of them making loans for the first time since 2007.

As loan volume continues to increase, our partnership with our lenders is increasingly important. One crucial aspect of this partnership is that lenders need to know that they can rely on the SBA to honor guarantees in a timely and predictable way.

Over the past several years the SBA and our lending partners have worked together to develop, refine and disseminate a purchase process based on best practices. The broad adoption of this "10-tab" system has helped ensure that packages are thorough and accurate, allowing the SBA to process and approve guarantee requests more quickly than ever.

The increasing adoption of Etran – the SBA's web-based loan origination and servicing tool – is also helping to limit processing errors and expedite purchase requests.

Two years ago, we made a promise to our lending partners. In 2007, the SBA said that if a lender sends the agency a fully completed guarantee purchase package, the SBA would notify the lender of payment or of a possible problem within 45 days.

Since then, we have kept that promise and approved more than 6,500 requests totaling nearly \$1 billion with the target timeframe. Today, it takes less than 30 days on average to process a completed purchase package. Even when the SBA notifies a lender that a purchase package is incomplete or requires additional explanation, the total processing time averages just 60 days.

As a result of these and other milestones we have reached with our lending partners, the SBA today honors more than 95 percent of requested guarantee purchase dollars.

We are working every day to make even more progress.

For example, we are developing new tools to help lenders identify which servicing and liquidation actions require SBA approval or notification.

We are also implementing stronger internal mechanisms to ensure consistency for both loan repairs and denials.

I'm also pleased that our staff continues to reach out at regional and national lender conferences where we provide training on how to originate and service a loan. Not only does this "on the ground" interaction help ensure a smooth guarantee purchase process, but our staff receives invaluable feedback directly from lenders.

With all of these efforts, our goal is to ensure that SBA lending programs are both responsible to America's taxpayers and user-friendly for America's lenders and borrowers. Our objectives are for every lender to feel completely confident in processes for originating, servicing and liquidating SBA loans and for the Agency to efficiently process and approve their purchase package requests if the borrower defaults.

Today the SBA wants to expand its partnerships and add new lenders in order to better serve America's small businesses. I have asked SBA staff in all of our 68 district offices to reach out and work even more closely with local lenders – especially *new* SBA lenders – to provide as much assistance as possible and to continue identifying areas where we can make improvements in how we work together. As our partnership grows, my hope is that we will collaborate in new ways in the coming months and years.

Together, we can help provide America's entrepreneurs and small business owners with the tools they need to lead the way in turning our economy around, as they have done time-and-time again throughout U.S. history.

We look forward to the continued input, guidance and collaboration of our existing SBA lending partners. And we welcome the growing number of lenders who are choosing to start participating in SBA programs.

With your help, we can ensure entrepreneurs and small business owners have the opportunity to pursue – and achieve – the American Dream.