

# Care and Preservation of Collateral (CPC) Tabs

## Requirements

In order for SBA to process your request for reimbursement of expenses the following tabs must be completed. Please be sure to complete all information requested and provided the supporting documentation as noted.

**Recoverable Expenses** are SBA approved, necessary, reasonable, and customary costs incurred to collect amounts due under the Note, to enforce the terms of the Loan Documents, or to preserve or dispose of collateral, which according to the terms of the Note can be added to the principal balance of the loan.

**Non-Recoverable Expenses** are the costs associated with the liquidation or litigation of an SBA Loan that cannot be added to the principal balance of the Note because, for example, the costs are not related to collection of amounts due under the Note, enforcement of the terms of the Loan Documents, preservation or disposal of the collateral for the loan; were not necessary, reasonable or customary; or were not incurred in accordance with prudent lending practices or Loan Program Requirements.

SBA requires copies of detailed invoices to support all reimbursements and expenses deducted from liquidation proceeds. Copies of invoices should clearly identify what service was provided, date of service, by whom, at what location (at the Commercial or Residential Real Estate or other site) and the costs involved. SBA will not be able to reimburse expenses using Lender's internal memos, spreadsheets, accounting records, or other internal documents. Lenders must submit actual invoices on vendor/service provider letterhead detailing service location, service provided, and billing total.

**Please be sure to explain any unusual services or unusually high fees or expenses. If you are reimbursed for expenses that are then refunded by the vendor, please be sure to refund SBA's share to SBA.**

The attached tabs have been provided to facilitate an efficient process to review and process requests for reimbursements. If more space is needed to provide information, please attach additional sheets.

|              |  |
|--------------|--|
| <b>TAB 1</b> | CPC Information Sheet                    |
| <b>TAB 2</b> | Protective Bid                           |
| <b>TAB 3</b> | Recovery Documentation                   |
| <b>TAB 4</b> | Legal Fees                               |
| <b>TAB 5</b> | Valuations                               |
| <b>TAB 6</b> | Asset/Lien Searches                      |
| <b>TAB 7</b> | Preservation of Collateral Expenses      |
| <b>TAB 8</b> | Receivership / Property Manager Expenses |

Express and 504 Loan Packages should be forwarded to:

**Fresno:** [fsc.postservicing@sba.gov](mailto:fsc.postservicing@sba.gov) or [SendThisFile](#) : Post Servicing  
**Little Rock:** [lrcs.504liquidation@sba.gov](mailto:lrcs.504liquidation@sba.gov) or [SendThisFile](#) : Express Purchase

**Submit Electronically:** [Send This File](#)

(Select Loan Resolution @sba.gov as recipient)

**Fax:** (202) 481-4674

**Mail:** U.S. Small Business Administration

Attn: OIC Department  
1145 Herndon Parkway  
Herndon, VA 20170

# CPC Expense Reimbursement Information Sheet **1**

Lender Name:

Borrower Name:

SBA Loan Number:

## 1. REQUEST (Please only include expenses that have not previously been submitted):

\* All expenses should be noted in terms of the gross amount.

|   |   |  |
|---|---|--|
| Total Expenses Incurred for this Request    |   |  |
| Amount of Expenses Deducted from Recoveries | - |  |
| Total Amount of Requested Reimbursement     | = |  |

Is this a reconsideration request for a prior CPC reimbursement? Yes  No

**Note:** Reconsideration requests must also have tabs filled out completely and must not contain information previously submitted. An explanation as to why reconsideration is being requested must be provided.

## 2. Transcript of Account - SBA Form 1149:

Please attach an updated transcript of account

3. Does this request include real estate taxes? Yes  No

Were they deducted from the sale proceeds? Yes  No

## 4. Global Certification:

I, \_\_\_\_\_, hereby certify, represent and warrant on behalf of \_\_\_\_\_ that all information and documentation submitted to the U.S. Small Business Administration in connection with this CPC expense reimbursement package package is accurate, genuine and complete and contains true copies of \_\_\_\_\_'s records for this loan. I further certify that I have personally reviewed and confirmed, based upon \_\_\_\_\_'s records, the copy of \_\_\_\_\_'s Transcript of Account with respect to this loan provided herewith and that to the best of my knowledge and belief the information contained therein is true and accurate. I also certify to the best of my knowledge and belief that \_\_\_\_\_ has materially complied with the SBA Loan Program Requirements (as defined in 13 CFR 120.10) applicable to this loan.

By signing below, I represent and warrant that I have the proper authority to execute this document on behalf of \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**5. Companion Loans:**

CPC expenses related to an SBA companion loan must be submitted in a separate CPC reimbursement request.

Please record all SBA Companion Loan Number(s)

Please record all non-SBA Companion Loan Number(s)

**6. Comments of Lender:**

If you have additional information that you would like the loan specialist reviewing your request to have, please attach a statement behind this tab. Be sure to include justification for cases where expenses exceed the amount of recovery. If expenses were incurred prior to default provide an explanation as to why.

**7. Lender Contact Information:**

Contact Name:

Mailing Address:

Email Address:

Phone Number:

Fax:

\* Lender Tax Identification Number:

**\*do not leave blank**

**REO = Real Estate Owned**

Did Lender make a protective bid that resulted in REO prior to guaranty purchase?  Yes  No

If No, please proceed to Tab 3.

If Yes, was the protective bid applied to the transcript?  Yes  No

Are you requesting reimbursement on a loss resulting from the sale of REO?  Yes  No

If Yes, fill in the fields below:

**Loss on REO**

Protective Bid Amount recorded on Transcript at purchase

Net to seller (Listed on HUD-1)

Loss after sale of REO

**\* If Lender is requesting expenses based on the REO loss, please add this amount to Tab 7.**

Have any expenses been withheld from recovery?  Yes  No

Please summarize all recoveries to date using the spreadsheet below. You **must** include all supporting documentation (i.e. HUD1 sheet(s), auction report(s), settlement statement(s), bill(s) of sale, and/or copies of cancelled checks). An Offer in Compromise (OIC) is considered recovery and must be included. Provide supporting documentation for funds held in escrow listed on the HUD-1.

Offer in Compromise (OIC) and Bankruptcy payments are considered recovery and must be included. Provide supporting documentation for funds held in escrow listed on the HUD-1. Please include total of any post default payments received from any Obligor(s).

Recovery from an SBA approved Note sale or the net proceeds from the gain on REO property are considered recovery and must be included.

Unless in an approved workout or confirmed bankruptcy plan, recovery should be applied in the following order: 1) Expenses; 2) Principal and 3) Accrued interest (After the principal balance of the loan has been Paid in full).

|    | Date | Source of Recovery | Amount Applied to Expenses | Amount Applied to Principal |
|----|------|--------------------|----------------------------|-----------------------------|
| 1  |      |                    |                            |                             |
| 2  |      |                    |                            |                             |
| 3  |      |                    |                            |                             |
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| 22 |      |                    |                            |                             |

Total Recovery

## Litigation Plan Requirements

Lender **must** obtain SBA's prior approval of a litigation plan and budget before proceeding with non-routine litigation. In addition, lenders must submit an amended litigation plan to address any material changes arising during the course of the litigation that was not addressed in the original plan or an amended plan (13 CFR 120.540(e)). Non-routine litigation includes:

All litigation where factual or legal issues are in dispute and require resolution through adjudication.

Any litigation where legal fees are expected to exceed \$10,000

Any litigation involving a loan where a lender has an actual or potential conflict of interest with SBA

Any litigation where a lender is requesting the court to appoint a Receiver.

Any Increase of 15% or more to a previously approved litigation plan.

Any litigation involving a loan where the lender has made a separate loan to the same borrower which is not a 7(a) loan

**If you were required to have an approved litigation plan and do not, stop here. SBA will not reimburse legal expenses without an approved litigation plan.**

Are there any legal pleadings?  Yes  No *If Yes, please include copies*

County and State where litigation is filed:

Invoices submitted for review should list the activity performed, its date, the attorney or legal professional who performed the work, their hourly rate, a detailed description of each task billed, the time spent on each task, and the charge assessed for the work (rate multiplied by time allocation). Be sure to itemize current month charges. Do not include late fees or prior month unpaid balances.

**NOTE:** Meals, travel, and lodging expenses will not be reimbursed as allowable expenses.

Please summarize all legal fees for which you are requesting reimbursement or seeking approval to deduct from recoveries in the spreadsheet below.

Legal Fees

|    | Date | Vendor | Amount |
|----|------|--------|--------|
| 1  |      |        |        |
| 2  |      |        |        |
| 3  |      |        |        |
| 4  |      |        |        |
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Sub Total

Legal Fees (cont)

|    | Date | Vendor | Amount |
|----|------|--------|--------|
| 36 |      |        |        |
| 37 |      |        |        |
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| 73 |      |        |        |
| 74 |      |        |        |
| 75 |      |        |        |

Sub Total

Total Legal Fees



**Appraisals & Brokers Priced Opinions**

| Date | Invoice Number | Vendor | Amount |
|------|----------------|--------|--------|
|      |                |        |        |
|      |                |        |        |
|      |                |        |        |
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**Phase 1 & 2 Environmental Reports**

| Date | Invoice Number | Vendor | Amount |
|------|----------------|--------|--------|
|      |                |        |        |
|      |                |        |        |
|      |                |        |        |
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**Site Visit Reports**

| Date | Invoice Number | Vendor | Amount |
|------|----------------|--------|--------|
|      |                |        |        |
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Total Valuations

Please provide justification for multiple appraisals obtained less than a year apart from prior appraisal.

Please provide explanation for any travel expenses incurred for valuation. Travel is generally not a reimbursable expense.

Please be sure that all invoices for valuations clearly show the property address that was inspected and the date the work was performed. Valuation invoices **must** be directly from vendor. *Third party reviews will not be reimbursed. Summary pages of appraisals and environmental reports must be provided.*

In order for a site visit to be reimbursable, the site visit report must clearly show what assets were viewed and give a specific description and listing of collateral in order to assist with the determination of value. Fee site visits that are performed in lieu of the lender's normal obligation to perform a site visit must be meaningful inspections of collateral and add value to the liquidation process. *The entire site visit report must be provided, along with the corresponding invoice.*

## Asset/Lien Searches 6

Please summarize all asset/lien searches for which you are requesting reimbursement or seeking approval to deduct from recoveries in the spreadsheet below.

Please be sure that the invoice(s) clearly state what type of search was performed, what party the search was performed on, and the date of the search. If a search has been conducted in multiple states for the same individual, please provide an explanation.

### Asset/lien Searches

|    | Date | Vendor | Name of Person Searched | Amount |
|----|------|--------|-------------------------|--------|
| 1  |      |        |                         |        |
| 2  |      |        |                         |        |
| 3  |      |        |                         |        |
| 4  |      |        |                         |        |
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| 14 |      |        |                         |        |
| 15 |      |        |                         |        |

Total

Requests for approval of Recoverable Expenses may only be submitted with the Lender's Purchase Package or with the Lender's Wrap-Up Report (Charge-Off Tabs). Please read SBA Informational Notice 5000-1311 for guidance on when lenders may submit requests for approval of Recoverable Expenses. Please use the Care of Preservation of Collateral (CPC) Tabs, located at <https://www.sba.gov/document/sba-form--care-and-preservation-collateral-cpc-tabs-0> when submitting a Recoverable Expense request with your Wrap-Up Report (Charge-Off Tabs). After the loan has been charged off, SBA will no longer accept a request for reimbursement of recoverable expenses.

Please attach a spreadsheet for additional invoices.

# Preservation of Collateral Expenses **7**

\* Once the property is in the lender's name and lender is reasonably aware that fees are due, no late fees, penalties, and/or interest will be reimbursed. Reimbursement request for late fees must include an explanation.

\* If address shown on invoice is different or not the collateral address, please explain.

\* The utility and insurance invoices must clearly show the property for which the services are being charged.

## Utility Bills

|    | Date | Invoice Number | Vendor | Amount |
|----|------|----------------|--------|--------|
| 1  |      |                |        |        |
| 2  |      |                |        |        |
| 3  |      |                |        |        |
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| 15 |      |                |        |        |
| 16 |      |                |        |        |

Total

## Insurance (dates of service must be included)

|    | Date | Invoice Number | Vendor | Amount |
|----|------|----------------|--------|--------|
| 1  |      |                |        |        |
| 2  |      |                |        |        |
| 3  |      |                |        |        |
| 4  |      |                |        |        |
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Total

# Preservation of Collateral Expenses **7**

# Preservation of Collateral Expenses **7b**

Please attach a spreadsheet for additional invoices.

## Maintenance Expenses (ex. handyman, lawn care, locksmith, management fees)

|    | Date | Invoice Number | Vendor | Amount |
|----|------|----------------|--------|--------|
| 1  |      |                |        |        |
| 2  |      |                |        |        |
| 3  |      |                |        |        |
| 4  |      |                |        |        |
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Total

\* The property taxes must clearly identify the property and time frame for the taxes being requested for reimbursement.

## Tax Expenses

|    | Date | Invoice Number | Tax Year | Vendor | Amount |
|----|------|----------------|----------|--------|--------|
| 1  |      |                |          |        |        |
| 2  |      |                |          |        |        |
| 3  |      |                |          |        |        |
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Total

# Preservation of Collateral Expenses **7c**

SBA will share in the cost of other miscellaneous expenses incurred by the Lender in an effort to maximize recovery. These expenses may include a 3rd party buyout, payoff of liens, and auction expenses (not already listed in auctioneer report). These expenses must be reasonable and prudent.

Please complete a separate tab for each property for which you are seeking reimbursement.

Please provide supporting documentation for all additional recoverable expenses incurred during the liquidation process **not** previously addressed for which you are requesting reimbursement or seeking approval to deduct from recoveries in the spreadsheet below. Utility deposits will not be reimbursed.

## Miscellaneous Expenses

|    | Date | Vendor | Amount |
|----|------|--------|--------|
| 1  |      |        |        |
| 2  |      |        |        |
| 3  |      |        |        |
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Total

## Receivership / Property Manager Expenses

# 8

The purpose of the Receiver is to take possession of the business, manage / operate it (which could include collecting rent, paying payroll, close out existing contracts etc.), take any necessary action to protect and preserve its value in order to sell the business as a going concern.

Property Managers should be hired only to provide care and preservation of the property until it is sold. All liquidation efforts should be done by Lender.

**Please attach copies of the following:**

- SBA's approval of Receiver if appointed after March 1, 2013.
- Copy of court documents appointing Receiver.
- An Itemized listing of all revenues collected by the Receiver by Month.
- Working Capital / Operating expenses itemized and documented by invoices, by month.
- Final Receiver Report filed with the court.

**Are the Expenses from?**     Receiver         Property Manager         Both

If you selected both, please prepare a chart for each.

**Receiver Expenses**

|    | Date | Vendor | Amount |
|----|------|--------|--------|
| 1  |      |        |        |
| 2  |      |        |        |
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**Receivership Total**

# 8

**Property Manager Expenses**

|    | Date | Vendor | Amount |
|----|------|--------|--------|
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Property Manager Expenses