

# LITIGATION PLAN FOR 7(a) and 504 SBA LOANS

*(Use this template to seek approval of litigation plans under both loan programs, and for any amendments to such plans.)*

**Date**

**Does this Plan amend a Litigation Plan previously approved by SBA?**

*If yes, attach a copy of the SBA Litigation Plan approval notification(s).*

Yes

No

## 1. LENDER INFORMATION<sup>1</sup>

**Lender Name**

**Lender Address**

**Contact Name**

**Contact Phone Number**

**Contact Email**

## 2. LOAN INFORMATION

**SBA Loan Number**

**SBA Loan Name**

**Current Outstanding Loan Balance**

**SBA Companion Loans**

*(Loan Name, Loan # and Balance)*

**Lender's Non-SBA Loans to Borrower, Guarantors, or Principals**

*(Loan Name, Security, Lien Position, Loan Balance)*

## 3. CRITICAL INFORMATION

**Yes**

**No**

*For each "Yes" answer, explain in Section 7 of this Plan.*

**Is urgent action required due to extraordinary circumstances?** (For example, expeditious action is needed to avoid the potential risk of loss on the loan or dissipation of collateral; an immediate response is required to litigation by a Borrower, Guarantor or third party; or another urgent reason exists. See 13 CFR §120.540(f).)

**Have workout options been explored?**

**Is a trial expected?**

**Has a judgment for attorney fees and costs been requested?**

**Is an SBA witness required?**

**Is appointment of a Receiver being requested?**

**Are attorney travel expenses being requested?**

**Are there any environmental concerns?**

**Are damages sought for alleged Lender misconduct?**

**Are there novel, unsettled, or potentially precedent setting legal issues?**

<sup>1</sup>The term "Lender" includes 7(a) Lenders, ACL CDCs, and non-ACL PLCP CDCs conducting litigation on their PCLP 504 Loans.

#### 4. ATTORNEY INFORMATION

**Name and Contact Information**

(Law Firm Name, Name of Attorney(s) Who Will Be Handling This Litigation, Address, E-mail, Phone Number)

**Law Firm Engagement Letter** (*Attach copy*)

**Hourly Rates Charged**

(Billing by more than one law firm for the same activity is presumed to be unreasonable and Non-recoverable unless justified in a Litigation Plan pre-approved by SBA. See Chapter 21 of SOP 50 57 2 regarding 7(a) Loans, and Chapter 24 of SOP 50 55 regarding 504 Loans.)

<b>Partner</b>	/Hour
<b>Associate</b>	/Hour
<b>Paralegal or Staff</b>	/Hour

Yes	No	<b>Mandatory Qualifications</b> (Have you verified that the attorney(s) who will be handling this litigation have the following qualifications required by SOP 50 57 2 and SOP 50 55?)
		A valid license to practice law in the state where the litigation will be conducted;
		Expertise in debt collection and bankruptcy law;
		Substantial experience conducting the type of proceedings required based on the circumstances of the loan;
		Adequate legal malpractice insurance; and
		No actual or apparent conflict of interest with SBA, Lender, Borrower, Guarantor, Principal, lien holder, landlord, competing creditor, or any other Person involved with issues pertaining to this SBA loan.
		For 504 Loan Litigation Plans, has the attorney who will be handling this litigation been approved by SBA? <i>If yes, attach a copy of the SBA approval notification.</i> (See 13 CFR §120.975.)

#### 5. RECOVERY ANALYSIS

<b>Borrower, Guarantor or Property Type</b> (Provide address for real and personal property)	<b>Cause of Action</b> (E.g., judicial foreclosure, judgment on Note or Guaranty)	<b>State &amp; Court</b>	<b>Estimated Recovery</b>
<b>Total Estimated Recovery</b>			

<b>6. LITIGATION SYNOPSIS</b>	
<b>Legal Action Taken To Date</b>	<i>Briefly state:</i>
<b>Proposed Legal Action Going Forward</b>	
<b>Anticipated Defenses Or Counterclaims</b>	
<b>Estimated Litigation Completion Date</b>	
<b>7. NARRATIVE</b>	
<i>In addition to the information given above, describe why the legal action proposed in this Plan and any legal action already taken on the Loan is necessary, reasonable and customary for the locality. Include material changes, if any, arising after SBA-approval of an earlier Litigation Plan for the Loan as required by 13 CFR §120.540(e); anticipated defenses or counterclaims; and any other Critical Information noted in Section 3 of this Plan. Attach a memo if more space is needed.</i>	
<b>8. ATTORNEY FEES &amp; LITIGATION COSTS APPROVED/INCURRED TO DATE</b>	
<b>Fees &amp; Costs Incurred To Date and Approved by SBA</b>	
<b>Fees &amp; Costs Incurred To Date But Not Approved by SBA</b>	
<b>Total Fees &amp; Costs Incurred To Date</b>	
<b>9. LITIGATION BUDGET PROPOSED WITH THIS PLAN</b>	
<b>Attorney Fees</b>	
<b>Litigation Costs</b>	
<b>Total Budget Requested</b>	
<b>TOTAL OF 8 AND 9:</b>	
<b>10. LENDER SIGNATURE</b>	
<small>(Reimbursement of legal fees is subject to the provisions of 13 CFR § 120.542 and Chapter 21 of SOP 50 57 2 with regard to 7(a) Loans, and Chapter 24 of SOP 50 55 with regard to 504 Loans.)</small>	

**Plan Prepared By (Printed Name & Title):** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Contact Phone Number:** \_\_\_\_\_