

Care and Preservation of Collateral (CPC) Tabs

Requirements

To facilitate the processing of your expense reimbursement request by the Small Business Administration (SBA), it is imperative to complete the following tabs thoroughly. Ensure that all requested information is provided and that you include the supporting documentation as specified.

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.

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 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.

SBA requires copies of detailed invoices to support all reimbursements requests and/or expenses deducted from liquidation proceeds. These invoices should clearly identify the service provided, service date, service provider's identity, location (whether at a Commercial or Residential Real Estate site), and the associated costs. SBA will not be able to reimburse expenses based on Lender's internal memos, spreadsheets, accounting records, or other internal documents. Actual invoices, bearing the vendor or service provider's letterhead, must be submitted, clearly detailing service location, service provided, and total billed amount.

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.

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

Express and 504 Loan Packages should be forwarded to:

Fresno: fsc.postservicing@sba.gov or [SendThisFile](#) : Post Servicing

Little Rock: lpsc.504liquidation@sba.gov or [SendThisFile](#) : Express Purchase

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

(Select sbachargeoff@sba.gov as recipient)

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 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. Lender Comments:

If there is additional information to be considered with this review, attach a statement behind this tab. Additional information should include the following:

- a. Justification for instances in which incurred expenses exceeded the recovery amount, and/or;
- b. Explanation for instances in which expenses were incurred prior to default.

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 the Lender execute a protective bid that led to REO before the guaranty purchase? Yes No

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

Was bid amount subtracted from the guaranty purchase? Yes No

If protective bid was not subtracted from the final guaranty purchase and/or if loan was acquired as a post-purchase loan, **STOP**. SBA will not share in lender’s loss on REO.

If requesting reimbursement on a loss resulting from the sale of REO, please fill in the fields below:

Loss or Gain on REO

Protective Bid Amount recorded on Transcript at purchase

Net to seller (Listed on HUD-1)

Loss or Gain after sale of REO

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

The loss or gain on REO is not applicable to Secondary market loans purchased by SBA

Have any expenses been withheld from recovery? Yes No

Provide a comprehensive summary of all recoveries received up to the current date using the spreadsheet provided below. It is crucial to include all supporting documentation. Documentation may include: HUD-1 sheets, settlement statements, auction reports, bill of sale documents, copies of canceled checks, wire confirmation, supporting documentation for funds held in escrow, as listed on the HUD-1. If lender submitted the net recovery from the sale of real property to SBA, please do not include the expenses already deducted from the gross sale of the property on the CPC tab.

Offer in Compromise (OIC) payments and payments made during bankruptcy are also considered forms of recovery and must be accounted for and included on the spreadsheet. Please include the total of any post default payments received from any Obligor(s).

Recoveries resulting from an SBA approved Note sale or the net proceeds from the sale of Real Estate Owned (REO) properties are also considered recoveries and must be documented accordingly.

Unless the recovery is part of an approved workout or confirmed bankruptcy plan, the allocation of 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				
4				
5				
6				
7				
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10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				

Total Recovery

A. Litigation Related Matters

Legal Fees and Costs

4

1. Have any legal fees and/or costs related to litigation matters been incurred? If yes, answer sub-sections a-e below.

Yes No

a. Total amount of legal fees and/or costs related to litigation matters incurred:

Total:

b. Total amount of legal fees and/or costs related to litigation matters being requested for reimbursement and/or approval:

Total:

c. Did any of the litigation matters involve litigation where factual or legal issues are/were in dispute and required resolution through adjudication? Yes No

d. Did any of those litigation matters involve a loan where the Lender has an actual or potential conflict of interest with the SBA? Yes No

e. Did any of the litigation matters involve a separate loan that the Lender has made to the same borrower which is not a 7(a) or 504 loan? Yes No

2. If total amount of legal fees and/or costs set forth in your answers to Questions A(1)(a) and A(1)(b) are different, attach a statement that explains and/or accounts for this difference.

3. Identify all states in which any litigation matters were undertaken and/or prosecuted:

4. Was an original litigation plan submitted? Yes No

5. Was one (1) or more amended litigation plans submitted? Yes No

6. Did a District Counsel approve (whether partially or fully) any submitted litigation plan? Yes No

7. Did a District Counsel disapprove (whether partially or fully) any submitted litigation plan? Yes No

Itemization of Legal Fees and/or Costs (Litigation Related)

If requesting reimbursement and/or seeking approval to deduct from recoveries legal fees and/or costs related to litigation matters, please itemize those fees and costs in the Litigation Related Legal Fees/Costs Table.

For each matter itemized in the table, provide a copy of the invoice documenting that item. Ensure that invoices clearly distinguish between litigation related and non-litigation related fees and costs.

4

Litigation Related Legal Fees/Costs

	Date	Vendor	Amount
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
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19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			

Sub Total

B. Non-Litigation Related Matters

1. Have any legal fees and/or costs related to non-litigation matters been incurred? If yes, answer sub-sections a-e below.

Yes No

- a. Total amount of legal fees and/or costs related to non-litigation matters incurred:

Total:

- b. Total amount of legal fees and/or costs related to non-litigation matters being requested for reimbursement for and/or approval:

Total:

2. If totals in Questions B(1)(a) and B(1)(b) differ, attach a statement to explain and/or accounts for this difference.

3. Identify all states in which any non-litigation matters were undertaken and/or otherwise conducted:

Itemization of Legal Fees and/or Costs (Non-Litigation Related)

If requesting reimbursement and/or seeking approval to deduct from recoveries legal fees and/or cost related to non-litigation matters, please itemize those fees and costs in Non-Litigation Related Legal Fees/Costs Table.

For each matter itemized in the table, provide a copy of the invoice documenting that item. Ensure that invoices clearly distinguish between litigation related and non-litigation related fees and costs.

Non-Litigation Related Legal Fees/Costs

	Date	Vendor	Amount
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			
51			
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68			
69			
70			
71			
72			
73			
74			
75			

Sub Total

Total Legal Fees

Appraisals & Brokers Priced Opinions

Date	Invoice Number	Vendor	Amount

Phase 1 & 2 Environmental Reports

Date	Invoice Number	Vendor	Amount

Site Visit Reports

Date	Invoice Number	Vendor	Amount

Total Valuations

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

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

Invoice Requirements- All invoices related to valuations should include clear details, such as the property address that was inspected and date the work was performed. Valuation invoices must be directly from vendor, as third-party reviews will not be eligible for reimbursement. Additionally, summary pages of appraisals and environmental reports must be provided.

Site Visit Reports-In order for a site visit to be reimbursable, the site visit report must clearly detail the assets viewed and provide specific description and listing of collateral in order to assist with the determination of value. The entire site visit report must be provided, along with the corresponding invoice.

Asset/Lien Searches **6**

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

Ensure that the invoice(s) clearly specify the type of search conducted, the party on whom the search was performed, and the date of the search. If cases where a search has been conducted in multiple states for the same individual, please provide an explanation for this duplication.

Asset/Lien Searches

	Date	Vendor	Name of Person Searched	Amount
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

Total

Preservation of Collateral Expenses

7

Please attach a spreadsheet for additional invoices.

* 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				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				

Total

Insurance (dates of service must be included)

	Date	Invoice Number	Vendor	Amount
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Total

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				
5				
6				
7				
8				
9				
10				
11				
12				
13				

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					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

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 reimbursement is being requested.

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			
4			
5			
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10			
11			
12			
13			
14			
15			
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26			
27			

Total

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 Approval:** Attach a copy of SBA's approval of the appointment of the Receiver.
- **Court Documents:** Provide copies of court documents officially appointing the Receiver.
- **Management Agreement:** Provide a copy of signed contract between property Manager and Bank.
- **Revenue Record:** Present an itemized listing of all revenues collected by the Receiver on a monthly basis.
- **Operating Expenses:** Provide detailed documentation of working capital/operating expenses, itemized and documented by invoices, categorized by month.
- **Final Receiver Report:** Include the 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			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

Receivership Total

Property Manager Expenses

	Date	Vendor	Amount
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
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Property Manager Expenses