

Small Business Administration

§ 120.1893

SISMBD Loan has a balance on its maturity date, the SISMBD must pay the loan in full or SBA will exercise any or all of its rights as described in § 120.1830(g) or § 120.1882(a).

§ 120.1891 What happens if an SISMBD is ineligible to receive an SISMBD Loan or an advance?

If an SISMBD that has received funds from an SISMBD Loan or an advance is found to be ineligible for the loan or any advance under the loan or is found to have knowingly breached a representation, the SISMBD must immediately repay the loan in full upon demand by SBA or SBA will exercise its rights as described in § 120.1830(g).

§ 120.1892 What happens if an SISMBD does not use SISMBD Loan funds for a statutorily mandated purpose?

If the Administrator finds that an SISMBD has used loan proceeds for any purpose other than to finance the inventory of the government guaranteed portion of loans originated, underwritten, and closed under Section 7(a) of the Small Business Act or Pools of such loans, the Administrator shall:

(a) Demand immediate repayment of any outstanding loans to the SISMBD;

(b) Prohibit the SISMBD, its affiliates, or any future corporate manifestation of the SISMBD from using the SBA Secondary Market Lending Authority;

(c) Report to Congress the identity of any borrower found by the Administrator to have misused funds made available under the Secondary Market Loan Program; and

(d) Take any other actions the Administrator, in consultation with the Attorney General of the United States, deems appropriate.

§ 120.1893 Data collections and reporting.

(a) *Data—general.* A recipient of an SISMBD Loan shall maintain such records as may be prescribed by SBA to:

(1) Disclose the manner in which an SISMBD Loan is used;

(2) Determine:

(i) The total outstanding loan amount;

(ii) The total amount repaid on the loan;

(iii) The aggregate value of assets held as collateral for the SISMBD Loan; and

(iv) The amount of any defaults or delinquencies that occurred on the loan;

(3) Demonstrate compliance with the requirements of this part; and

(4) Evaluate the impact of the SISMBD Loan Program on its SBA Secondary Market activity.

(b) *Access to records.* An SISMBD Loan recipient must submit such financial and SBA Secondary Market activity reports, records, statements, and documents at such times, in such forms, and accompanied by such reporting data, as required by SBA, the SBA Office of the Inspector General, or other authorized government personnel upon request or upon a request by their duly authorized representatives to ensure compliance with the requirements of this Subpart and to evaluate the impact of the SISMBD Loan Program. SBA or other authorized government personnel and their duly authorized representatives, shall have full and free access to SISMBD offices and facilities and all books, documents, records, and financial statements relating to the use of SISMBD Loan proceeds during normal business hours and may copy such documents as they deem appropriate.

(c) *Retention of records.* A recipient of an SISMBD Loan shall comply with all SBA mandated record retention requirements.

(d) *Review.* (1) At least annually, SBA will review the SBA Secondary Market activity of an SISMBD Loan recipient.

(2) A loan recipient shall submit a report of SBA Secondary Market activity, SISMBD Loan usage and updated financial statements within 45 days after the end of each calendar quarter, or within some other period after the end of each calendar quarter as may be agreed to in the Loan Agreements with information requested by SBA.

(3) A recipient shall submit a report within 60 days after the end of each

Federal fiscal year, or by such alternative deadline as may be agreed to in the Loan Agreements or as required by the Recovery Act on: information on the number of Guaranteed Portions it