addition, the CDC must have satisfactory SBA performance, as determined by SBA in its discretion. The CDC’s Risk Rating, among other factors, will be considered in determining satisfactory SBA performance. Other factors may include, but are not limited to, on-site review/examination assessments, historical performance measures (like default rate, purchase rate and loss rate), loan volume to the extent that it impacts performance measures, and other performance related measurements and information (such as contribution toward SBA mission). The District Office may approve the application if:

(a) The applicant CDC has previously assisted the business to obtain a 504 loan; or
(b) The existing CDC or CDCs serving the area agree to permit the applicant CDC to make the 504 loan; or
(c) There is no CDC within the Area of Operations.

§ 120.841 Qualifications for the ALP.
An applicant for ALP status must show that it substantially meets the following criteria:

(a) CDC staff experience. The CDC’s staff must have well-trained, qualified loan officers who are knowledgeable concerning SBA’s lending policies and procedures for the 504 program. The CDC must have at least one loan officer with three years of 504 loan processing experience and at least one loan officer with three years of 504 servicing experience or two years experience plus satisfactory completion of SBA-approved processing and servicing training. The same loan officer may meet these qualifications. In addition, the CDC’s staff must have demonstrated satisfactorily to SBA the ability to process and service 504 loans.

(b) Number of 504 loans approved and size of portfolio. SBA must have approved at least 20 504 loan applications by the CDC in the most recent three years, and the CDC must have a portfolio of at least 30 active 504 loans. (An “active” 504 loan is a loan that was approved and closed by the CDC and has a status of either current, delinquent, or in liquidation.)

(c) CDC reviews. CDC reviews conducted by SBA must be current (within the last 24 months, if applicable) for applicants for ALP status. The CDC
must have received a review assessment of either “Acceptable” or “Acceptable With Corrective Actions Required.” In addition, the CDC must have satisfactory SBA performance, as determined by SBA in its discretion. The CDC’s Risk Rating, among other factors, will be considered in determining satisfactory SBA performance. Other factors may include, but are not limited to, on-site review/examination assessments, historical performance measures (like default rate, purchase rate and loss rate), loan volume to the extent that it impacts performance measures, and other performance related measurements and information (such as contribution toward SBA mission).

(d) Record of compliance with 504 program requirements. The CDC must have a record of conforming to SBA’s policies and procedures and of satisfactorily underwriting, closing and servicing 504 loans. SBA will consider all relevant material information, which will include but is not limited to whether the CDC meets all SBA’s CDC portfolio benchmarks, when determining the CDC’s record of compliance, including:

1. Submission of satisfactory 504 loan analyses and applications, and all required, and properly completed, loan documents.
2. Careful and thorough analysis and screening of all 504 loan applications for conformance with SBA credit and eligibility standards;
3. Proper completion of required 504 loan closing documents and compliance with SBA 504 loan closing policies and procedures.
4. Compliance with SBA loan servicing policies and procedures.
5. Compliance with the certification and operational requirements as set forth in §§120.820 through 120.830.
6. Submission of timely, complete and acceptable annual reports.
7. Compliance with CDC ethical requirements (see §120.851).
8. Priority CDC. The CDC must be a Priority CDC with a Designated Attorney and SBA required insurance.
9. Record of Cooperation. The CDC must have a record of effective communication and a cooperative relationship with all SBA offices including district offices and SBA’s loan processing and servicing centers.

§120.845 Premier Certified Lenders Program (PCLP).

(a) General. Under the PCLP, SBA designates qualified CDCs as PCLP CDCs and delegates to them increased authority to process, close, service, and liquidate 504 loans. SBA also may give PCLP CDCs increased authority to litigate 504 loans.

(b) Application. A CDC must apply for PCLP status to the Lead SBA Office. The Lead SBA Office will send its written recommendation and the application to SBA’s PCLP Loan Processing Center. The PCLP Loan Processing Center will review these materials and forward them to the appropriate Office of Capital Access official in accordance with Delegations of Authority for final determination.

(c) Eligibility. In order for a CDC to be eligible to receive PCLP status, its application must show that it meets the following criteria:

1. The CDC must be a PCLP CDC in substantial compliance with Loan Program Requirements or meet the criteria to be an ALP CDC set forth in §120.841(a) through (h).
2. The CDC can adequately comply with SBA liquidation and litigation requirements.
3. The CDC can adequately comply with SBA liquidation and litigation requirements.
4. Additional application requirements.
5. The application must include the following:
6. Certified copy of the CDC’s Board of Directors’ resolution authorizing the application for PCLP status.
7. Summary of the experience of each of the CDC’s loan processing, closing, servicing and liquidation staff members with significant authority.
8. Name, address and summary of experience of Designated Attorney.
9. Documentation of any SBA required insurance.
10. Any other documentation required by SBA.
11. Term of designation. If approved, SBA generally will confer PCLP status for a period of two years. However, if