



Small Business Administration 504 Central Servicing Agent

OVERVIEW

Guidehouse, formerly PwC Public Sector LLP, was selected by the U.S. Small Business Administration (SBA) to serve as the Central Servicing Agent (CSA) for its 504 loan program, which is focused on commercial real estate loans. This program, approximately \$25 billion in size, includes more than 55,000 active small business loans. Guidehouse, in a joint business relationship with Wells Fargo, administers the loans in the portfolio, which includes:

- Management of the receipt of payments, as well as the processing of disbursements, payments, fees, and prepayments for both loans and debentures;
- Investor reporting on debentures, as well as government reporting on portfolio statistics; and
- Document review of new originations of the 504 loan program.

After a successful transition of operations, the Guidehouse team performed business process reviews on the operations to determine potential efficiency and internal control improvements, including reducing reliance on paper and adding automated internal control checks. The team deployed a combination of process and technology accelerators to optimize the operational processing for the CSA functions.

Guidehouse efforts benefitted both internal and external stakeholders in the 504 loan program. Internally, the CSA leverages a more automated workflow process, which shortened servicing time within functions such as funding, prepayments, and accelerations. External impacts include enhanced reporting and historical record keeping, and increased stakeholder confidence and trust. With additional investment and modernization of the 504 loan program, Guidehouse seeks to help SBA grow its 504 loan program.