

Media Mention: Lance Martin's SBA Article Featured in The Coleman Report

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The Coleman Report, a small business banking news source, recently featured an article written by bankruptcy attorney Lance Martin.

The publication posted to its website Lance's "How to Write an Effective SBA Litigation Plan." Here's a brief summary:

When an SBA loan goes into default, the SBA requires a lender to commence litigation when the lender concludes that (1) defensive action is necessary to protect the collateral or ability to collect from the obligor or (2) recovery of the debt can best be achieved through affirmative litigation or foreclosure.

Absent emergency circumstances, a lender must submit a Litigation Plan to the SBA before commencing "non-routine" litigation. Lenders should prepare the Litigation Plan with their attorneys' assistance because, when properly-prepared, the SBA will approve the Litigation Plan as "cost-effective, necessary, reasonable, and customary." And this will expedite the SBA's approval and reimbursement of litigation expenses.

Non-routine litigation refers to cases where legal fees will exceed \$10,000, cases where a court must adjudicate disputed factual or legal issues, cases involving potential or actual conflicts of interest with the SBA, cases where a lender has additional non-SBA loans with the borrower, and receivership actions.

The SBA provides a three-page template for Litigation Plans. It is divided into nine sections: (1) Lender Information, (2) Loan Information, (3) Critical Information, (4) Attorney Information, (5) Recovery Analysis, (6) Litigation Synopsis, and (7) Narrative, (8) Attorney Fees and Litigation Costs Approved/Incurred to Date, and (9) Proposed Litigation Budget. [Read More.](#)

Lance represents creditors in bankruptcy, collections, foreclosures, Uniform Commercial Code security agreement enforcement, and structured liquidations and workouts. He also represents clients in drafting and negotiating a wide variety of contracts, loans, and workout agreements. Lance is certified by the American Board of Certification and the North Carolina State Bar as a Board Certified Specialist in Business Bankruptcy Law.