



U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, D.C. 20416

August 8, 2012

The Honorable Diane Black  
Member, U.S. House of Representatives  
321 E. Spring St. Suite 301  
Cookeville, Tennessee 38501

Dear Representative Black:

Thank you for your recent inquiry on behalf of Mr. Phil McCanless regarding his concerns with a U.S. Small Business Administration (SBA) 504 loan to his business, The Children's Lighthouse LLC (TCL).

According to Agency loan records, on May 28, 2008, SBA approved a request for a SBA 504 loan in the amount of \$465,000 to TCL from Georgia Certified Development Corporation (GCDC), an Agency Certified Development Company. Under the Agency's rules, an SBA CDC is required to process, service, and if need be, liquidate its SBA guaranteed loans in a manner consistent with sound commercial lending practices. In this case, GCDC is responsible for the servicing of this 504 Loan.

Based on Mr. McCanless' letter to you, he is requesting the possible release of a 3<sup>rd</sup> mortgage on his residence that serves as collateral on this loan. A normal course of action in this type of situation is subordination. According to Agency records, there has not been a request for a release of the 3<sup>rd</sup> mortgage. We urge Mr. McCanless to work with GCDC on a possible subordination request for the 3<sup>rd</sup> mortgage. If he has questions regarding SBA servicing rules and procedures or GCDC's adherence to these, he may contact Mr. Lance Sexton, SBA Little Rock Commercial Loan Servicing Center Deputy Director, at (501)324-5871, extension 318.

We appreciate your support of the SBA and the Tennessee small business community. If you and your staff have further questions, please contact the SBA Office of Congressional and Legislative Affairs at (202) 205-6700.

Sincerely,

John A. Miller  
Director  
Office of Financial Program Operations

cc: Lance Sexton, SBA Little Rock Commercial Loan Servicing Center