



U. S. SMALL BUSINESS ADMINISTRATION

Birmingham Disaster Loan Servicing Center

801 Tom Martin Drive, Suite 120

Birmingham, Alabama 35211

800-736-6048 • 205-290-7141 • 205-290-7765 (FAX)

January 19, 2012

THE

LITTLE ROCK AR 72205

Re: - -

Dear Borrower(s):

We have received your offer to compromise this loan. At this time, we are unable to accept your offer. However, there is a counter offer that is available.

We will accept the compromise amount of \$15,000 if the first payment is made by February 29, 2012 and is paid in full by April 30, 2012. If you fail to make that first payment of \$5,000 and the full compromise amount by April 30, 2012 the approval will no longer be valid.

1st payment- \$5,000.00 - Must be made by February 29, 2012

2nd payment- \$5,000.00 - Must be made by March 30, 2012

3rd payment - \$5,000.00 - Must be made by April 30, 2012

Please note that if agreement is not made this loan will be transferred to the Treasury Collections Department 60 days from the original date of notice.

Once the funds for the compromise have been received and posted to your account, your loan will then also be reclassified as, "Compromised/Closed," and no future efforts by SBA to collect this loan will be exerted. Also, we will remove your name and social security number from the Treasury offset program; therefore, you will no longer be subject to forfeiting any future federal tax refunds.

While SBA will no longer attempt to collect this debt, the compromising of it (not paying the entire balance in full) will preclude you from borrowing funds from any federal agency in the future.

This would include federal mortgages, education loans, disaster loans, etc. This is a result of a recently enacted regulation referred to as "CAIVRS", a credit alert system that exists within and between all federal agencies. These regulations require that any pre-existing delinquent federal loan(s) be paid IN FULL before any additional money can be disbursed.

Also, IRS regulations categorize the unpaid amount as "unearned income," and you may receive a federal form 1099C to claim on your next tax return. Your tax return preparer can answer any questions regarding how you may minimize the tax paid on this amount.

We appreciate your efforts and cooperation in resolving this matter. Should you have any questions regarding this matter, kindly contact us at the number listed above.

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Loan Specialist

