



LSE Develops Environmental Due Diligence Policy for Several Local Banks

With the recent revisions to the Small Business Administration's Standard Operating Procedure (SOP 50-10) for its 7(a) and certified development company loan programs which became effective on August 1, 2008, pertinent SBA loans require significant changes to the environmental due diligence (EDD) requirements. This, in conjunction with EPA's All Appropriate Inquiry standards, have prompted many commercial lending institutions to review/update their internal EDD policies.

As an additional service provided to our commercial banking clients, Lake Shore Environmental has rewritten the EDD policies of several local banks to comply with SBA requirements as well as numerous other EDD guidelines published by federal regulators such as FDIC, USDA, and HUD.

LSE's EDD policies identified various sources of environmental cleanup risk and established procedures for other EDD issues including credit department roles and responsibilities, triggers for expanded site investigations, environmental site assessment shelf life, hazardous building materials, foreclosure procedures, indemnification language and reliance letters.

Meeting on several occasions with commercial loan department heads provided LSE with an understanding of each bank's internal procedures thereby allowing development of a customized and flexible EDD policy that can easily be understood by all of the bank's loan officers. Please contact Dave Hazebrouck at LSE for more information regarding EDD policy development.