



### LENDER'S APPLICATION FOR GUARANTY FOR ALL 7(a) PROGRAMS

The purpose of this form is to collect identifying information regarding the lender, loan terms, use of proceeds, and other information such as the number of jobs created or retained, as well as eligibility information regarding the applicant and use of proceeds.

This entire form is to be completed, signed and dated by the Lender prior to submission of the loan request to SBA. Non-delegated lenders must submit this form electronically to the LGPC either by email to [7aloanprogram@sba.gov](mailto:7aloanprogram@sba.gov) or through the website at <http://www.sba.gov/aboutsba/sbaprograms/elending/lgpc/index.html>. Delegated lenders complete the form and retain it in the loan file.

SBA Express (Revolving: Yes  No  )  Export Express (Revolving: Yes  No  ) 7(a) Small Loan (SLA) Standard 7(a)  
CLP Community Advantage PLP IT EWCP

CAPLines: Yes No - If yes, Seasonal Builders Contract Working Capital

Small Business Borrower Name: _____				
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Corporation	<input type="checkbox"/> LLC	<input type="checkbox"/> Other

Trade Name (dba): \_\_\_\_\_ (if no trade name, enter "NA")

Borrower Contact:  Mr.  Ms. First \_\_\_\_\_ MI  Last \_\_\_\_\_

Borrower Street: \_\_\_\_\_

Borrower City: \_\_\_\_\_ Borrower County: \_\_\_\_\_

Borrower State, Zip Code: \_\_\_\_\_ Borrower Phone #: \_\_\_\_\_

Co-Borrower Contact: First \_\_\_\_\_ MI  Last \_\_\_\_\_

Co-Borrower Street: \_\_\_\_\_

Co-Borrower City: \_\_\_\_\_ Co-Borrower County: \_\_\_\_\_

Co-Borrower State, Zip Code: \_\_\_\_\_ Co-Borrower Phone #: \_\_\_\_\_

Borrower Tax ID #: \_\_\_\_\_ (if available)

Owners SS #: 1. \_\_\_\_\_ 2. \_\_\_\_\_

Lender Name: \_\_\_\_\_ Lender ID #: \_\_\_\_\_

Lender Contact:  Mr.  Ms. First \_\_\_\_\_ MI  Last \_\_\_\_\_

Lender Contact Phone #: \_\_\_\_\_ Lender Contact Email: \_\_\_\_\_

Loan Amount: \$ _____	SBA Guaranty % _____	Loan Term in # of Months: _____
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Interest Rate:	<input type="checkbox"/> Prime rate* = _____ + Spread _____ = Variable Interest Rate: _____ <input type="checkbox"/> LIBOR (1 month) + 3.0% * = _____ + Spread _____ = Variable Interest Rate: _____ <input type="checkbox"/> SBA Peg Rate * = _____ + Spread _____ = Variable Interest Rate: _____ <input type="checkbox"/> Other ** = _____ + Spread _____ = Variable Interest Rate: _____ Payment Amount: _____ Rate Adjustment Frequency: _____ <input type="checkbox"/> Fixed Base Rate* = _____ + Spread _____ = Fixed Interest Rate: _____ <small>*in effect on the first business day of the month as identified in a national financial newspaper or SBA publication          **Only SBA Express, Export Express, and EWCP loans may have a base rate other than the three allowable base rates.</small>
<input type="checkbox"/> Variable <input type="checkbox"/> Fixed	

Exporter? Yes  No  If yes, amount in export sales applicant has projected loan will support \$ \_\_\_\_\_

<input type="checkbox"/> New Business (2 years or less)	<input type="checkbox"/> Existing Business (more than 2 years old)	<input type="checkbox"/> Change of Ownership***
<input type="checkbox"/> All Outstanding SBA Loans: _____ <input type="checkbox"/> Loan is Collateralized <input type="checkbox"/> Rural <input type="checkbox"/> Urban (business location)		

NAICS Code: _____	<input type="checkbox"/> <input type="checkbox"/> New Construction? If checked, amount: \$ _____
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# of employees <u>prior</u> to loan	# of jobs created because of loan	# of jobs retained because of loan
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<input type="checkbox"/> Franchise	Franchise Name: _____	FRUNS Number: _____
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Veteran**	1=Non-Veteran; 2=Veteran-Other; 3=Service-Disabled Veteran; 4=Not Disclosed.					
Gender**	M=Male; F=Female; N=Not Disclosed					
Race**	1=American Indian or Alaska Native; 2=Asian; 3=Black or African-American; 4=Native Hawaiian or Pacific Islander; 5=White; X=Not Disclosed					
Ethnicity**	H=Hispanic or Latino; N=Not Hispanic or Latino; Y=Not Disclosed					
Owner	% Owned	Veteran	Gender	Race	Ethnicity	List proprietors, partners, officers, directors, all holders of outstanding stock. 100% of ownership must be shown. Use separate sheet if necessary. Please reference the above codes to complete this table for each owner of the applicant business. More than one race may be selected.

**\*\* The gender/race/ethnicity/veteran data is collected for program reporting purposes only. Disclosure is voluntary and has no bearing on the credit decision.**

Were any other SBA loans made to the borrower? If so, please complete for each loan.	SBA Loan #	SBA Approval Date	Loan Amount	SBA Guaranty %	Term (in months)

Use of Loan Proceeds	Amount (Total Dollars)
Purchase Land only	\$
Purchase Land and Improvements	\$
Purchase Improvements only	\$
Construct a Building	\$
Add an Addition to an Existing Building	\$
Make Renovations to an Existing Building	\$
Pay Off Interim Construction Loan	\$
Pay Off Lender's Interim Loan	\$
Leasehold Improvements	\$
Purchase Furniture, Fixtures or Equipment (FFE)	\$
Purchase Inventory	\$
Pay Trade or Accounts Payable	\$
Pay Notes Payable – not Same Institution Debt	\$
Pay Notes Payable – Same Institution Debt	\$
Purchase Business (Change of Ownership) – ***Complete Page 3	\$
Refinance SBA Loan – not Same Institution Debt	\$
Refinance SBA Loan – Same Institution Debt	\$
Working Capital	\$
SBA Guaranty Fee	\$

Other – Explain _____	\$
Other – Explain _____	\$
Total	\$

**\*\*\*Complete the following for a Change of Ownership of the Business**

	<u>Total Dollar Amount</u>
Total Amount Paid to Seller:	\$
Sources:	
7(a) Loan	\$
Seller Financing – Amt. on full standby for at least 2 yr.	\$
– Amount <u>not</u> on full standby	\$
Buyer's Equity Contribution:	
<input type="checkbox"/> Cash Describe source: _____	\$
<input type="checkbox"/> Borrowed	\$
<input type="checkbox"/> Other Describe: _____	\$
Assets Purchased: ( <u>Net Book Value</u> except where indicated)	
Accounts Receivable:	\$
Inventory:	\$
Real Estate:	\$
	Check one: <input type="checkbox"/> Book Value <input type="checkbox"/> Appraised Value
Machinery and Equipment:	\$
	Check one: <input type="checkbox"/> Book Value <input type="checkbox"/> Appraised Value
Furniture and Fixtures:	\$
Intangible Assets:**	\$
Other: Describe _____	\$
<b>**Breakdown of Intangible Assets (if available):</b>	
Covenant not to compete:	\$
Customer/client list:	\$
License (liquor, FCC, etc.):	\$
Franchise rights, patents, trademarks, etc.:	\$
Goodwill:	\$
Other: Describe _____	\$

Complete the following when an Independent Business Valuation is required by SOP 50 10 5:

Appraiser's Conclusion or Summary of Value: \$ \_\_\_\_\_

Name of Business Appraiser (person): \_\_\_\_\_ Fee: \$ \_\_\_\_\_

Check qualification(s) of the Appraiser:

- Accredited Senior Appraiser (ASA)
- Certified Business Appraiser (CBA)
- Accredited in Business Valuation (ABV)
- Certified Valuation Analyst (CVA)
- Accredited Valuation Analyst (AVA)

Will a business broker receive a commission from the sale of the business?  Yes  No

If yes: Name of Business Broker (person): \_\_\_\_\_ Commission: \$ \_\_\_\_\_

Address: \_\_\_\_\_

## Eligibility Information for Application for Guaranty for All 7(a) Loans

If the answer to either of the following two statements is “No,” the loan is not eligible.

Applicant is an operating business organized for profit, is located in United States, has demonstrated a need for the desired credit, and the desired credit is not otherwise available on reasonable terms from non-Federal sources. YES \_\_\_ NO \_\_\_

The products and/or services of the Applicant business are available to the general public. YES \_\_\_ NO \_\_\_

### **A. Size and Affiliation**

Primary industry of Applicant: \_\_\_\_\_ NAICS Code of Applicant: \_\_\_\_\_

Average annual receipts of Applicant Business (excluding affiliates) over last 3 completed fiscal years: \_\_\_\_\_

No. of employees of Applicant Business: \_\_\_\_\_ SBA size standard for Applicant: \_\_\_\_\_

(SBA size standards by NAICS industry are found at 13 CFR 121.201.)

OR (alternative size standard) tangible net worth is \_\_\_\_\_ (not in excess of \$15 million) and average net income after Federal income taxes (excluding any carry-over losses) for the preceding two completed fiscal years is \_\_\_\_\_ (not in excess of \$5.0 million). (The alternative size standard is found at §3(a) of the Small Business Act.)

The combined size calculation of applicant and its affiliates meets the size standard for the applicant’s primary industry or the size standard for the primary industry of the applicant and its affiliates, whichever is higher. YES \_\_\_ NO \_\_\_

OR

The combined size calculation of applicant and its affiliates meets the alternative size standard. YES \_\_\_ NO \_\_\_

If size standard is exceeded by no more than 25%, Applicant agrees to use the assistance within a labor surplus area. YES \_\_\_ NO \_\_\_

#### Check if applicable regarding any affiliates:

\_\_\_ Applicant has possible affiliates. *If checked, provide the following information in attachment to this form:*

List possible affiliates; discuss possible bases of affiliation, and determine if affiliation exists. If affiliation exists, list the primary industry of applicant and affiliates and the NAICS code. Also, state 1) combined average annual receipts over last 3 completed fiscal years or number of employees for applicant and all affiliates OR 2) combined tangible net worth and combined average net income after Federal income taxes (excluding any carry-over losses) for the preceding two fiscal years for applicant and all affiliates.

#### Check if applicable regarding any franchise/license/dealer/jobber agreement:

\_\_\_ Applicant business has a franchise/license/dealer/jobber or similar agreement. *If checked, answer the following:*

The Franchise Registry lists the agreement as an approved agreement. YES \_\_\_ NO \_\_\_

If “No,” answer the following statement:

For applications submitted under Lender’s delegated authority:

You have made the determination that the applicant business has the right to profit and risk of loss commensurate with ownership and there are no excessive restraints on the sale of the franchise/license/dealer/jobber or similar interest. YES \_\_\_ NO \_\_\_

If “No,” loan is not eligible.

OR

You have submitted the necessary franchise documents to SBA for review in accordance with SOP 50 10 5 and received notification from SBA that the applicant business and the franchisor are not affiliated. YES \_\_\_ NO \_\_\_

If “No,” loan is not eligible.

For applications submitted under non-delegated authority:

You have submitted the applicable franchise documents to the Standard 7(a) Loan Guaranty Processing Center (LGPC) for an affiliation determination.

If “No,” loan is not eligible. YES \_\_\_ NO \_\_\_

## **B. Associates of the Applicant**

### Character

If, on any required SBA Form 1919, Question 1 is answered "NO", the loan is not eligible."

If, on any required SBA Form 1919, Question 2 or 3 is answered "YES", answer the following:

\_\_\_\_ The individual that answered "Yes" to Question 3 is not currently on parole or probation. YES\_\_NO\_\_  
*If the answer to this statement is "No," the loan is not eligible.*

\_\_\_\_ The application meets one of the following criteria below (which is checked): YES\_\_NO\_\_  
*If the answer to this statement is "No, the loan is not eligible.*

\_\_\_\_ The charge resulting in a "yes" answer was a single misdemeanor that was subsequently dropped without prosecution and Lender has documentation from the appropriate court or prosecutor's office showing that the charge was dropped.

\_\_\_\_ Individual that answered "Yes" has completed an SBA Form 912 AND Delegated Lender has cleared the loan for processing based on SOP 50 10 5 guidelines. (Only delegated lenders have authority to clear a loan for processing under these guidelines.)

\_\_\_\_ Lender has submitted the required 912 and any additional documentation required to the district or branch SBA office serving the territory where the business applicant is located and has subsequently received written clearance of the character issue(s) from SBA Headquarters through the district or branch SBA office.

### Credit Reasonably Available Elsewhere

Lender has assessed the borrower's access to credit outside of this SBA-guaranteed loan and determined that such credit is not available elsewhere on reasonable terms from non-Federal sources. The lender's loan file contains documentation that specifically identifies the factors in the present financing that meet the Credit Elsewhere Test. YES\_\_NO\_\_

### Personal Guaranty of Owner(s)

All owners of 20 percent or more of the Applicant (including a spouse owning 5 percent or more when the combined ownership of both spouses is 20 percent or more) will guaranty the loan (except for ESOPs or eligible 401(k)Trusts). YES\_\_NO\_\_

### Citizenship

All Associates of the business are either U.S. citizens or non-U.S. citizens whose status has been verified with USCIS or SBA.

YES\_\_NO\_\_

If "Yes," CHOOSE the ONE that applies (If neither applies, the loan is not eligible):

\_\_\_\_ The business is at least 51 percent owned by individuals who are U.S. citizens and/or who have Lawful Permanent Resident (LPR) status, whose status lender has verified with the USCIS or SBA, AND will control the management and daily operations of the business; OR

\_\_\_\_ The business is at least 51 percent owned by aliens with an alien status other than LPR, which lender has verified with the USCIS or SBA; the lender has determined that continual and consistent management of the business has been provided by a U.S. citizen or by an LPR, whose status lender has verified with the USCIS or SBA, for at least one year and will continue indefinitely; AND collateral within the jurisdiction of the U.S. is pledged to secure the loan that is sufficient to pay the loan in full at any time. (Businesses less than one year old do not meet these requirements.)

## **C. Type of Business**

\_\_\_\_ Applicant is or does one of the following: If checked, loan is not eligible.

- primarily engaged in the business of lending
- a passive business owned by developers or landlords that do not actively use or occupy the assets acquired or improved with the loan proceeds that is not an Eligible Passive Company (discussed below)
- bail bond company
- life insurance company
- located in a foreign country or owned by undocumented (illegal) aliens
- pyramid sale distribution plan
- any illegal activity
- principally engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs, whether in a religious or secular setting. (An Applicant is not ineligible merely because it offers religious books, music, ceremonial items and other religious articles for sale. The lender must consider the overall activities and business environment of the Applicant.)
- consumer or marketing cooperative
- earns 1/3 or more of its gross annual revenue from packaging SBA loans
- derives directly or indirectly more than 5% of its gross revenue through the sale of products or services, or the presentation of any depiction or displays, of a prurient sexual nature or that presents any live performances of a prurient nature (The lender must consider whether the nature and extent of the sexual component causes it to be prurient.)
- primarily engaged in political or lobbying activities
- a speculative business (such as oil wildcatting, mining and research & development)

\_\_\_ Applicant is a pawn shop. If checked, answer the following question.

More than 50 percent of Applicant's income for the previous year was from the sale of merchandise rather than from interest on loans. If "No" loan is not eligible. YES \_\_\_ NO \_\_\_

\_\_\_ Applicant is a mortgage service company. If checked, answer the following question.

Any mortgage loans funded are sold within 14 days of loan closing. If "No" loan is not eligible. YES \_\_\_ NO \_\_\_

\_\_\_ Applicant is a business that is primarily engaged in subdividing real property into lots and developing it for resale on its own account or in owning or purchasing real estate and leasing it for any purpose. If checked, loan is not eligible.

\_\_\_ Applicant is a motel, recreational vehicle park, campground, marina or similar type of business. If checked, answer the following question.

Applicant derives more than 50 percent of its gross annual income from transients who stay for periods of time not exceeding 30 days. If "No" loan is not eligible. YES \_\_\_ NO \_\_\_

\_\_\_ Any of gross annual revenue of Applicant business is derived from gambling. If checked, answer the following question.

The revenue is from legal gambling activities and comprises 1/3 or less of gross annual revenue of Applicant business and the business is not a racetrack, casino or otherwise have gambling as its reason for being. If "No," loan is not eligible. YES \_\_\_ NO \_\_\_

\_\_\_ Applicant is a private club or business. If checked, answer the following question.

Business does not limit the number of memberships for reasons other than capacity. If "No" loan is not eligible. YES \_\_\_ NO \_\_\_

\_\_\_ Applicant is a government-owned entity. If checked, answer the following question.

Applicant is business owned or controlled by a Native American tribe, but is a separate legal entity from the tribe. If "No" loan is not eligible. YES \_\_\_ NO \_\_\_

\_\_\_ Applicant appears to be connected, associated or affiliated with a religious organization or to have a religious component. If checked, answer the following question. If "No," loan is not eligible.

Lender has completed the Religious Eligibility Worksheet (SBA Form 1971), attached to SOP 50 10 5 as Appendix 8, and followed the procedures in the SOP, Subpart B, Ch. 2 and the Lender (if delegated) or SBA (if lender is non-delegated) has determined the Applicant is eligible. YES \_\_\_ NO \_\_\_

\_\_\_ Applicant appears to have a business aspect of a prurient sexual nature. If checked, answer the following question. If "No," loan is not eligible.

Lender has followed the procedures in SOP 50 10 5, Subpart B, Ch. 2 and the Lender (if delegated) or SBA (if lender is non-delegated) has determined the Applicant is eligible. YES \_\_\_ NO \_\_\_

\_\_\_ Applicant is an Eligible Passive Company (EPC). If checked, fill in the blanks and answer the following questions. If "No" loan is not eligible.

(Attach additional sheet with Names and Legal Forms if more than one OC. References below to OC mean each OC.)

Name of Operating Company (OC): \_\_\_\_\_

Legal Form of Entity of OC: \_\_\_\_\_

- The EPC will use the loan proceeds to acquire or lease, and /or improve or renovate real or personal property (including eligible refinancing) that it leases 100% to one or more OCs. YES \_\_\_ NO \_\_\_
- The OC is an eligible small business and the proposed use of proceeds would be an eligible use if the OC were obtaining the financing directly. YES \_\_\_ NO \_\_\_
- The EPC (with the exception of a trust) and the OC each are small under SBA's size standards. YES \_\_\_ NO \_\_\_
- The EPC is eligible as to type of business, other than being passive. YES \_\_\_ NO \_\_\_
- The lease between the Eligible Passive Company and the Operating Company will be in writing, will have a remaining term at least equal to the term of the loan (including options to renew exercisable solely by the Operating Company), will be subordinated to SBA's lien on the property and the rents will be assigned as collateral for the loan. YES \_\_\_ NO \_\_\_
- The OC will be a guarantor or co-borrower. If loan proceeds include working capital or assets to be owned by the OC, it will be a co-borrower. YES \_\_\_ NO \_\_\_
- Each 20% or more owner of the EPC and each 20% or more owner of the OC will guarantee the loan. YES \_\_\_ NO \_\_\_
- The aggregate amount of the SBA portions for this application and for all outstanding loans to the EPC, the OC, and their affiliates does not exceed \$3,750,000 (\$4,500,000 until 12/31/10). YES \_\_\_ NO \_\_\_
- Neither the EPC nor the OC is a trust, or SBA requirements regarding trusts are met. YES \_\_\_ NO \_\_\_

#### **D. Use of Proceeds**

\_\_\_ To provide or refinance funds used for payments, distributions, or loans to Associates of the Applicant.

If checked, loan is not eligible.

\_\_\_ For a purpose that will not benefit the small business. If checked, loan is not eligible.

\_\_\_ To provide funds for short-term working capital (or the refinancing of an existing asset-based, short-term working capital loan.). If checked, answer the following question. If all answered "No," loan is not eligible.

Loan is a 7(a)CAPLine loan. YES \_\_\_ NO \_\_\_

Loan is a (check one):

- Contract CAPLine
- Builders CAPLine
- Seasonal CAPLine
- Working Capital CAPLine

Loan is an SBA Express loan. YES \_\_\_ NO \_\_\_

Loan is an Export Express loan for a general line of credit for export purposes, for performing a service contract for buyers located outside the United States, or for transaction-specific financing associated with completing export orders.

YES \_\_\_ NO \_\_\_

Loan is an EWCP loan. YES \_\_\_ NO \_\_\_

\_\_\_ To finance the sale of the participating lender's Other Real Estate Owned (OREO). If checked, loan is not eligible for delegated processing and must contain the additional documentation and information required by SOP 50 10 5.

\_\_\_ For debt refinancing. If checked, ATTACH A DEBT SCHEDULE SHOWING THE TERMS OF THE DEBT TO BE REFINANCED AND THE JUSTIFICATION FOR THE REFINANCING. Also, answer the following questions. If "No," loan is not eligible.

- Refinancing will provide a substantial benefit to Applicant of at least 10% needed improvement to cash flow. If more than one debt is refinanced, the new debt will have at least a 10% cash flow improvement over the combined cash flow of the debt being refinanced. (This does not apply if the refinanced debt is a demand note, involves a balloon payment, credit card obligation used for business related purposes, or revolving line of credit (short term or long-term).) YES \_\_\_ NO \_\_\_
- Existing debt no longer meets the needs of the Applicant. YES \_\_\_ NO \_\_\_
- Same Institution Debt Refinancing: In addition to the previous two bullets, if the debt being refinanced is between the Applicant and the requesting SBA lender ("same institution debt"), it meets one of the following conditions:

- This application is being processed under SBA Express and the debt has been current (no payment beyond 29 days past due) for at least the last 36 months AND the new loan will not reduce the lender's existing credit exposure to the borrower;
- This application is being processed under PLP and the debt is either an interim loan that has been made for other than real estate construction purposes and was approved by the lender within 90 days prior to the issuance of a PLP loan number, or the debt is a construction loan that has not been disbursed;
- This application is being processed under SLA, Standard 7(a), or CLP and the lender has provided a transcript of account for the past 36 months or the life of the loan whichever is less and the lender has explained any late payments and/or late charges that have occurred during the last 36 months; YES \_\_\_ NO \_\_\_
- Proceeds will not pay a creditor in a position to sustain a loss causing a shift to SBA of all or part of a potential loss from an existing debt. YES \_\_\_ NO \_\_\_
- Debt to be refinanced is NOT an SBA-guaranteed loan unless it meets one of the following exceptions:
  - The application is being processed under SBA Express and the transaction is the purchase of an existing business that has an existing SBA loan that is not with the requesting SBA Express lender;
  - The application is a Working Capital CAPLine, the debt is an existing SBA-guaranteed line of credit that is not with the requesting lender and all other requirements of debt refinancing in SOP 50 10 5 are met (*if the existing SBA-guaranteed line of credit is same institution debt, the lender's credit exposure will not be reduced and the loan cannot be processed using delegated authority, but must be submitted to the LGPC in accordance with SOP 50 10 5*);
  - The application is being processed under SLA, Standard 7(a), CLP, or PLP, the debt is an existing SBA-guaranteed loan that is not same institution debt and the lender or borrower has obtained evidence that the lender currently holding the debt is unwilling or unable to modify the current payment terms or provide an increase or a second loan;
  - The application is being processed under SLA, Standard 7(a) or CLP, the debt is an existing SBA-guaranteed loan that is same institution debt that has been sold on the secondary market and the investor is unwilling to agree to modified terms (*such applications cannot be processed under PLP authority*). YES \_\_\_ NO \_\_\_
- Loan is an Export Express loan and will not refinance an existing SBA-guaranteed loan. YES \_\_\_ NO \_\_\_
- Loan will not refund debt to an SBIC. YES \_\_\_ NO \_\_\_
- Loan will not repay third party financing for any existing 504 project. YES \_\_\_ NO \_\_\_
- Loan will not refinance an existing 504 loan unless it meets the requirements of debt refinancing in Subpart B, Chapter 2 of SOP 50 10 5 and either: 1) both the Third Party Loan and the 504 loan are being refinanced; or 2) the Third Party Loan has been paid in full and the 504 loan needs to be refinanced as part of a larger transaction to provide funding for expansion of or renovations to the Project property. YES \_\_\_ NO \_\_\_
- Loan will not repay delinquent IRS withholding taxes, sales taxes or similar funds held in trust. YES \_\_\_ NO \_\_\_
- Loan will not refinance any seller take-back financing of less than 24 months following the change of ownership. YES \_\_\_ NO \_\_\_
- If refinancing seller take-back financing greater than 24 months, the debt is and has been current for the past 24 months. YES \_\_\_ NO \_\_\_

\_\_\_ To fund or refinance a change in ownership. *If checked, answer the following questions. If "No," loan is not eligible.*

- The change will promote the sound development or preserve the existence of the Applicant business. YES \_\_\_ NO \_\_\_
- Change is between existing owners of the small business and will result in 100% ownership by the remaining owner(s) or is the purchase of 100% of a business resulting in a new owner and meets the requirements provided in the SOP 50 10 5. YES \_\_\_ NO \_\_\_
- The loan proceeds will not pay off an SBA-guaranteed loan of the seller with the **same** lender. YES \_\_\_ NO \_\_\_
- The loan proceeds will not finance any amount in excess of the business valuation. YES \_\_\_ NO \_\_\_

**CHOOSE ONE – Business Valuation Requirements**

\_\_\_ The amount being financed (including any 7(a), 504, seller, or other financing) minus the separately appraised value of real estate and/or equipment being financed is \$250,000 or less. The valuation of the business is supported by at least a lender's valuation. If the valuation analysis is performed by the lender's loan officer, a synopsis is attached.

OR

\_\_\_ The amount being financed (including any 7(a), 504, seller or other financing) minus the separately appraised value of real estate and/or equipment is more than \$250,000 OR there is a close relationship between the buyer and the seller. The lender has obtained an independent business valuation from a qualified source.

**CHOOSE ONE – Financing intangible assets:**

\_\_\_ The purchase price of the business does not include intangible assets (including, but not limited to, goodwill, client/customer lists, patents, copyrights, trademarks and agreements not to compete) in excess of \$500,000.

OR

\_\_\_ The purchase price of the business includes intangible assets (including, but not limited to, goodwill, client/customer lists, patents, copyrights, trademarks and agreements not to compete) in excess of \$500,000 and the borrower and/or seller are contributing at least 25% equity.

\_\_\_ For construction of (or the refinancing of the construction for) a new building.

*If checked, answer the following questions. If "No," loan is not eligible.*

- If building will contain rental space, Applicant (or Operating Companies) will continue to occupy at least 60% of the rentable property for the term of the loan; lease long term no more than 20% of the rentable property to one or more tenants; plans to occupy within three years some of the remaining rentable property not immediately occupied or leased long term; and plans to occupy within ten years all of the rentable property not leased long term. YES \_\_\_ NO \_\_\_
- Community improvements do not exceed 5 percent of the loan amount. YES \_\_\_ NO \_\_\_
- If refinancing a construction loan, the construction loan is not with the same lender. *If "No," loan may not be processed under delegated authority.* YES \_\_\_ NO \_\_\_

\_\_\_ To provide funds for the acquisition of land or existing building or for renovation or reconstruction of an existing building.

*If checked, answer the following questions. If "No," loan is not eligible.*

- Applicant (or Operating Companies) will occupy at least 51% of the rentable property. YES \_\_\_ NO \_\_\_
- Loan proceeds will not be used to remodel or convert any rental space in the property. YES \_\_\_ NO \_\_\_

\_\_\_ To provide funds for or refinance leasehold improvements. *If checked, answer the following question.*

*If "No," loan is not eligible.*

- Loan proceeds will be used to improve space occupied 100% by Applicant. YES \_\_\_ NO \_\_\_

\_\_\_ To provide funds to guarantee or fund a letter of credit. *If checked, answer the following question.*

*If both answered "No," loan is not eligible.*

- Loan is an Export Express loan. YES \_\_\_ NO \_\_\_
- Loan is an EWCP loan. YES \_\_\_ NO \_\_\_

## **E. Special Program Requirements**

\_\_\_ Lender is aware that the application was previously submitted to SBA under any SBA program, including SBA Express, Export Express, PLP, CLP, SLA,, Community Advantage or standard 7(a). (*Loan is not eligible to be submitted under delegated authority unless the LGPC Director has waived this prohibition because the application was preliminary or incomplete when previously submitted or it has changed materially since the previous submission or the application was declined under SLA due to the applicant's credit score and is now being submitted under SBA Express.*)

\_\_\_ Lender has made a personal loan to an individual for the purpose of providing an equity injection into the business. (*Loan is not eligible to be submitted under delegated authority.*)

\_\_\_ Loan will be collateralized by commercial property that will not meet SBA's environmental requirements or that will require use of a non-standard indemnification agreement. (*Loan is not eligible to be submitted under delegated authority.*)

\_\_\_ Applicant business previously defaulted on a Federal loan or Federally-assisted financing that resulted in the Federal government or any of its departments or agencies sustaining a loss; or another business owned or controlled by any Associate of the applicant business or guarantor defaulted on a Federal loan (or guaranteed a loan which was defaulted) and caused the Federal Government or any of its agencies or departments to sustain a loss in any of its programs, including any compromise agreement with any such agency/department; or an Associate of the applicant business or guarantor is currently delinquent on any Federal debt. (*Loan is not eligible to be submitted under delegated authority.*)

\_\_\_ Loan is under Export Express. *If checked, answer the following questions. If "No," loan is not eligible.*

- The business has been operating, although not necessarily in exporting, for at least 12 full months. If less than 12 months, the applicant's key personnel have clearly demonstrated export expertise and substantial previous successful business experience, AND the lender processes the Export Express loan using conventional commercial loan underwriting procedures and does not rely solely on credit scoring or credit matrices to approve the loan. For non-bank lenders that do not have a conventional loan portfolio, a written approval from the Office of Credit Risk Management for their underwriting procedures has been obtained prior to making the Export Express loan. YES \_\_\_ NO \_\_\_
- Applicant has demonstrated to lender that loan proceeds will enable it to enter a new export market or expand an existing export market. YES \_\_\_ NO \_\_\_
- Loan proceeds will be used for an export development activity. YES \_\_\_ NO \_\_\_

- If proceeds are being used to finance indirect exports, the applicant has provided certification to lender from the applicant's domestic customer (typically in the form of a letter, invoice, order or contract) that the goods or services are in fact being exported. YES\_\_\_NO\_\_\_
- Proceeds will not be used to finance overseas operations, except for the marketing and/or distribution of products/services exported from the U.S. YES\_\_\_NO\_\_\_
- If proceeds are being used to finance specific export transactions (including indirect exports), lender has determined that U.S. companies are authorized to conduct business with the proposed country(ies) to which the goods or services will be shipped and has reviewed the Ex-Im Bank Country Limitation Schedule (CLS) to verify that the U.S. Government has not restricted trade with any foreign country that the applicant does business with (i.e., no country is identified on the CLS by Note #7). YES\_\_\_NO\_\_\_

\_\_\_ Loan is \$350,000 or under (SLA). *If checked, answer the following question.*

The applicant's SLA credit score is acceptable for SLA. *If "No," loan is not eligible for SLA processing, but may be submitted with a complete application under Standard 7(a) or under SBA Express for a 50% guaranty.* YES\_\_\_NO\_\_\_

\_\_\_ Loan is under CAPLines. *If checked, answer the following questions. If "No," loan is not eligible.*

- Seasonal CAPLines: Applicant qualifies under standard 7(a), has been in operation for at least 12 calendar months and is able to demonstrate a definite pattern of seasonal activity. YES\_\_\_NO\_\_\_
- Contract CAPLines: Applicant qualifies under standard 7(a), is able to demonstrate an ability to operate profitably based upon the prior completion of similar contracts, possesses the overall ability to bid, accurately project costs, perform the specific type of work required by the contract(s), and has the financial capacity and technical expertise to complete the contract on time and at a profit. YES\_\_\_NO\_\_\_
- Builders CAPLines: Applicant qualifies under standard 7(a), is a construction contractor or homebuilder under NAICS codes 236220, 236115, 236116, or 236118 with a demonstrated managerial and technical ability in profitable construction or renovation, will either perform the construction/renovation work or manage the job with at least one supervisory employee on the job site during the entire construction phase, will conduct prompt and significant renovations (as defined in SOP 50 10 5(F), Subpart B, Chapter 2, Paragraph III.M.3.c)), has demonstrated a successful performance record in bidding and completing construction/renovation at a profit within the estimated construction period, is able to demonstrate prior prompt payments to suppliers and subcontractors, and the prior successful performance have been of comparable type and size to the proposed project. YES\_\_\_NO\_\_\_
- Working Capital CAPLines: Applicant qualifies under standard 7(a) and generates accounts receivable (not notes receivable). YES\_\_\_NO\_\_\_

\_\_\_ Loan is under International Trade Program (IT). *If checked, answer the following questions. If "No," loan is not eligible for IT.*

- The loan proceeds will be used solely for the purpose of 1) financing the acquisition, construction, renovation, modernization, improvement, or expansion of productive facilities or equipment to be used in the United States in the production of goods and services involved in international trade; 2) the refinancing of existing indebtedness that is not structured with reasonable terms and conditions, including any debt that qualifies for refinancing under Section E above; or 3) working capital [of up to \$4,000,000 guaranteed amount]. YES\_\_\_NO\_\_\_
- The small business concern is either 1) in a position to expand existing export markets or develop new export markets; or 2) is confronting increased competition with foreign firms in the relevant market and is injured by such competition. YES\_\_\_NO\_\_\_
- Lender will 1) take a first lien on the fixed assets financed (or re-financed) with this loan or on other assets of the small business concern; or 2) take a second lien on the fixed assets financed (or re-financed) with this loan or on other assets of the small business concern and Lender has determined that the second lien provides adequate assurance of the payment of the loan. YES\_\_\_NO\_\_\_
- Collateral is located in the United States, its territories and possessions YES\_\_\_NO\_\_\_
- Lender has reviewed the Ex-Im Bank Country Limitation Schedule (CLS) to verify that the U.S. Government has not restricted trade with any foreign country that the applicant does business with (i.e., no country is identified on the CLS by Note #7). YES\_\_\_NO\_\_\_

\_\_\_ Loan is an EWCP loan. *If checked, answer the following question. If "No," loan is not eligible for EWCP.*

Applicant has been in business for at least 12 months. YES\_\_\_NO\_\_\_  
 If Applicant is an export management company (EMC) or export trading company (ETC), the EMC or ETC will take title to the goods or services being exported and the EMCs or ETCs has no bank ownership. YES\_\_\_NO\_\_\_

\_\_\_ Applicant is a Qualified Employee Trust (ESOP). *If checked, answer the following questions. If "No," loan is not eligible.*

The Qualified Employee Trust (or equivalent trust) meets the requirements and conditions for an ESOP prescribed in all applicable IRS, Treasury and Department of Labor regulations AND the small business

will provide the funds needed by the trust to repay the loan and will provide adequate collateral. YES\_\_\_NO\_\_\_

Loan will help finance the growth of the Qualified Employee Trust's employer's small business or will purchase ownership or voting control of the employer. YES\_\_\_NO\_\_\_

Loan proceeds will be used to purchase: 1) qualified employer securities; or 2) a controlling interest (51%) in the employer (ownership and control will vest in the trust by the time the loan is repaid). YES\_\_\_NO\_\_\_

\_\_\_Applicant is eligible for reimbursement of the guaranty fee under the Community Adjustment and Investment Program (CAIP), and if loan is approved Lender will follow the procedure set forth in SOP 50 10 5 to request such reimbursement. (NOTE: CAIP cannot be used for PLP loans.)

\_\_\_Applicant or Affiliates(s) has/have existing SBA loan(s). *If checked, answer the following question.*  
The existing SBA loan(s) is/are current. *If "No," loan is not eligible.* YES\_\_\_NO\_\_\_

\_\_\_ Applicant has paid or has committed to pay a fee to a third party to assist in the preparation of the loan application or application materials, or the Applicant or Lender has paid or has committed to pay a referral agent or broker a fee.  
*If checked, answer the following question. If "No," loan is not eligible.*  
A Form 159(7a) has been or will be completed, signed by all parties as required, and a copy provided to SBA's fiscal and transfer agent after initial disbursement in accordance with SOP 50 10 5. YES\_\_\_ NO\_\_\_

## **F. Conflict of Interest (13 CFR Part 105)**

*SBA will not provide financial assistance under delegated authority to an applicant when granting such financial assistance could result in the appearance of a conflict of interest between the Federal Government and the Applicant. Please answer the following questions. If any answers to the following statements cannot be answered "True," then the application may not be submitted under delegated authority.*

- No SBA employee, or the household member (see definition at \* below) of an SBA employee, is a sole proprietor, partner, officer, director, or stockholder with a 10 percent or more interest, of the Applicant. [13 CFR 105.204]  
True\_\_\_
  - No former SBA employee, who has been separated from SBA for less than one year prior to the request for financial assistance, is an employee, owner, partner, attorney, agent, owner of stock, officer, director, creditor or debtor of the Applicant. [13 CFR 105.203] True\_\_\_
  - No member of Congress, or an appointed official or employee of the legislative or judicial branch of the Federal Government, is a sole proprietor, general partner, officer, director, or stockholder with a 10 percent or more interest, or household member of such individual, of the Applicant. [13 CFR 105.301(c)] True\_\_\_
  - No Government employee having a grade of at least GS-13 or higher is a sole proprietor, general partner, officer, director, or stockholder with a 10 percent or more interest, or a household member of such individual, of the Applicant. [13 CFR 105.301(a)]  
True\_\_\_
  - No member or employee of a Small Business Advisory Council or a SCORE volunteer is a sole proprietor, general partner, officer, director, or stockholder with a 10 percent or more interest, or a household member of such individual, of the Applicant. [13 CFR 105.302(a)] True\_\_\_
- \* A "household member" of an SBA employee includes: a) the spouse of the SBA employee; b) the minor children of said individual; and c) the blood relatives of the employee, and the blood relatives of the employee's spouse who reside in the same place of abode as the employee.[13 CFR 105.201(d)]

## **G. Ethical Requirements of Lenders (13 CFR 120.140)**

*Please answer the following questions. If any of the statements cannot be answered as "True," then the loan request is not eligible.*

- No Lender or Associate\*\* of Lender has a real or apparent conflict of interest with Applicant, any of Applicant's Associates, or any of the close relatives of Applicant's Associates. True\_\_\_

- No Lender or Associate or close relative of an Associate of the lender has a significant direct or indirect financial or other interest in the applicant, or has had such an interest within 6 months prior to the date of the application. True\_\_\_\_
- No Associate of a Lender is incarcerated, on parole, or on probation or is a convicted felon or has an adverse final civil judgment (in a case involving fraud, breach of trust, or other conduct) that would cause the public to question the Lender’s business integrity. True\_\_\_\_
- No Lender or any Associate of Lender has accepted funding from a source that restricts, prioritizes, or conditions the types of small businesses that Lender may assist under an SBA program or that imposes any conditions or requirements upon recipients of SBA assistance inconsistent with SBA’s loan programs or regulations. True\_\_\_\_
- Neither the Applicant, an Associate of Applicant, close relative nor household member of an Associate of Applicant is required to invest in Lender. True\_\_\_\_
- None of the loan proceeds will be used to acquire space in a project for which lender has issued a real estate forward commitment. True\_\_\_\_

(\*\*Associate of a Lender is an officer, director, key employee, or holder of 20 percent or more of the value of the Lender’s stock or debt instruments.)

**NOTE:** When there have been revisions to SBA policy regarding SBA loans that may be submitted under delegated authority, there may be a short period of time between the issuance of the policy, regulation or statutory change (including revisions to SOP 50 10) and a change to the form.

If that is the case for this loan application:

1. write “see below” next to the particular statement on this form where the policy has changed; and
2. attach an explanation for each notation that identifies the current specific SBA policy since the issuance of this edition of the form that now permits the submission of the loan under delegated authority. This must include the specific SOP citation, SBA notice, regulation change or change in the statute.

Do not complete the statement on the form itself if the statement indicates that the loan is not eligible to be submitted under delegated authority but the revised policy as identified by the attachment provided does.

**SBA Certification to Financial Institution under Right to Financial Privacy Act (12 U.S.C. 3401):**

By signing SBA Form 1919, Borrower Information Form in connection with this application for an SBA-guaranteed loan, the applicant certifies that it has read the Statements Required By Law And Executive Orders, which is attached to Form 1919. As such, SBA certifies that it has complied with the applicable provisions of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) and, pursuant to that Act, no further certification is required for subsequent access by SBA to financial records of the applicant/borrower during the term of the loan guaranty.

**Lender Certification:**

I certify that I have complied and am familiar with SBA Loan Program Requirements, that I have accurately and correctly completed the Lender’s Application for Guaranty for All 7(a) Programs on behalf of the Lender, that the above information is true and correct, to the best of my knowledge, and that I have exercised due diligence to obtain the true and correct information. For applications submitted under delegated authority, I am

aware and acknowledge that SBA will not review eligibility prior to issuing an SBA loan number and that if an SBA loan number is assigned and SBA later learns that the loan is not eligible, SBA may deny liability on its guarantee.

I approve this application to SBA subject to the terms and conditions stated in this and the attached documents. Without the participation of SBA, to the extent applied for, we would not be willing to make this loan, and, in our opinion, the financial assistance approved is not otherwise available on reasonable terms. I certify that none of the Lender's Associates, including but not limited to its employees, officers, directors, or substantial stockholders (more than 10%) has a financial interest in the Applicant. I approve and certify that the Applicant is a small business according to the standards in 13 CFR Part 121, the loan proceeds will be used for an eligible purpose, and the owners and managers of the applicant business are of good character.

Lender Official:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Type or Print Name and Title

ON PLP SUBMISSIONS ONLY: I approve and certify that the applicant is a small business according to the standards in 13 CFR Part 121, the loans proceeds will be used for an eligible purpose, and the owners and managers of the applicant business are of good character.

Approving/Certifying Lender Official:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Type or Print Name and Title

NOTE: According to the Paperwork Reduction Act, you are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated burden for completing this form, including time for reviewing instructions, gathering data needed, and completing and reviewing the form is 26 minutes per response. Comments or questions on the burden estimates should be sent to U.S. Small Business Administration, Chief, AIB, 409 3rd St., SW, Washington DC 20416 and SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Room 10202, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**