

Loan Closing Instructions

For
Standard 7a & Small Rural Lender Advantage Loans

Provided by

U.S. Small Business Administration
Standard 7a Loan Guaranty Processing Center (LGPC)

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Prepared by

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For

SBA Lenders

Disclaimer: Due to continued 6 month updates of the SOP 50 10 5 and policy changes due to the current economic times, this guide may not reflect all current changes to SBA policy and procedure. Please remember to always refer to your loan authorization and the current version of the SOP 50 10 5.

LOAN CLOSING

This guide provides the Lender with guidance on closing and disbursing 7(a) loans in compliance with SBA requirements. It explains SBA's requirements by reviewing the 7(a) Loan Authorization Boilerplate and pointing out what Lenders should be looking for at the time of closing to avoid problems later.

The general requirements a Lender must meet for SBA to guaranty 7(a) loans are described, in part, in the SBA Form 750, Guaranty Agreement. The Authorization provides specific requirements for each 7(a) loan. Lenders are expected to close 7(a) loans in the same manner in which they close non-SBA loans. Lenders are responsible for knowing how to properly close loans, secure collateral, obtain and perfect the required lien positions, and meet other authorization requirements.

SBA relies on representations in the loan application and supporting documents in issuing the Authorization. **The SBA guaranty is contingent upon the Lender:**

1. Complying with the SBA Loan Guaranty Agreement, SBA Form 750 (SBA Form 750B for short-term loans) and any other required supplemental guaranty agreements between Lender and SBA;
2. Paying the guaranty fee in a timely manner;
3. Complying with current regulations and SOPs;
4. Having no evidence of unremedied adverse change that would prevent disbursement;
5. Satisfying all the conditions of the Authorization; and
6. Making timely disbursement.

Three of the most common deficiencies leading SBA to recommend a cancellation, denial or repair of its guaranty (at the time the lender requests that SBA honor its guaranty) happen at loan closing:

1. Unauthorized, improper, uncontrolled, or undocumented disbursement of loan proceeds.
2. Failure to obtain or adequately document a required equity injection.
3. Failure to obtain required collateral or properly perfect lien position.

Closing also is the last time the Lender has an opportunity to discover eligibility and credit problems before the Lender disburses the loan.

GUARANTY FEE PAYMENT

Lenders must send the guaranty fee payment to SBA's Denver Finance Center, **not** the SBA processing office. Remember to include the SBA loan number on all your correspondence. The address in the Authorization www.Pay.gov is the most direct way to send us your payment or you may mail it to the:

U.S. Small Business Administration, Denver Finance Center, Denver, CO 80259

Be sure the initial disbursement is substantially more than the amount needed to cover the guaranty fee. No disbursement can be made solely to recover the guaranty fee. It must be part of another disbursement for other loan purposes.

Guaranty Fee Due Date

For loans with terms greater than 12 months, the guaranty fee is due to SBA within 90 days of the date of loan approval. For loans with terms of 12 months or less, when a loan number is assigned, the processing center notifies the lender that the guaranty fee must be sent directly to the SBA Denver Finance Center (DFC) at U.S. Small Business Administration, Denver, Colorado 80259-0001. The lender must pay the guaranty fee within 10 business days from the date the loan number is assigned and before the lender signs the Authorization for SBA. Lenders are strongly encouraged to use www.pay.gov. If the DFC does not receive the fee within 10 business days after the processing center issues the loan number, SBA cancels the guaranty. **SBA will not extend or waive the due date for payment of the guaranty fee. If the fee is not received within the required time period, the guaranty will be cancelled.**

(See SOP 50 10 5(A), Subpart B, Chapter 3, V, Section B)

Fees Associated with Loan Increases

When a 7(a) loan is increased, additional appropriations are committed, and an additional Guaranty fee is due. The additional fee is based on the rules in effect at the time the loan was originally approved. Therefore, the amount of the additional guaranty fee due for an increase will equal what the guaranty fee would have been if the increase was part of the original loan amount, less the amount of the original fee (if already remitted).

The additional guaranty fee associated with the increase must be submitted to and received by the SBA Commercial Loan Servicing Center (CLSC) processing the request for increase. **Without the additional fee, the request will not be considered.**

(See SOP 50 10 5(A), Subpart B, Chapter 3, V, Section F)

Refunds of Guaranty Fees

- If there has been no disbursement – **Full refund**
(Lender must request cancellation of loan and return of guaranty fee. The refunded fee is paid to the Lender, not the Borrower.)
- If there has been any disbursement - **No refund**
- If the Lender already has paid the guaranty fee and then reduces the loan amount after making an initial disbursement - **No refund.**

(See SOP 50 10 5(A), Subpart B, Chapter 3, V, Section H)

Guaranty Fees for Two Loans Approved Within 90 days

If two loans each with a maturity of 12 or more months are approved for the same Borrower within 90 days, the guaranty fee calculation on the second loan will be based on the **combined loan size and guaranty percentages**. The first loan will have a guaranty fee equal to the amount that would be due if **ONLY** that loan was being made. The guaranty fee will be adjusted on the second loan.

(See SOP 50 10 5(A), Subpart B, Chapter 3, V, Section I)

Loan Modifications (327 Actions)

Lender must submit the completed SBA Form 2237 along with supporting financial statements and/or other documentation to the:

- (1) LGPC if within 7 days of approval; or
- (2) the appropriate CLSC if after 7 days of approval.

The LGPC forwards files to the appropriate CLSC 7 days after approval, unless the file is being held for appraisal or environmental review. If the file is not being held, any change requests submitted after 7 days must be submitted to the appropriate CLSC.

If within the first **7 days** of approval, submit your 327 request to the Standard 7a Loan Guaranty Processing Center (LGPC) by e-mail 7aLoanProgram@sba.gov or fax to (916) 735-1554.

Large items can be sent using the LGPC file transfer service located on our website <http://www.sba.gov/aboutsba/sbaprograms/elending/lgpc/index.html> Click on the web link Submit 7(a) Loan Documents Here

Remember to include your name, bank name, phone number, fax number, name of business, SBA loan number, control #, and state what you want to change and why.

The contact information for the Commercial Loan Servicing Centers (CLSC) is:

Commercial Loan Service Center – Fresno

2719 N. Air Fresno Drive, Suite 107, Fresno, CA 93727

Phone: (559) 487-5136 Toll Free: (800) 347-0922

Servicing: Fax Number (559) 487-5803 Email: fsc.servicing@sba.gov

Express Purchase: Fax Number (559) 487-5009 Email: fsc.purchasing@sba.gov

504 Liquidation: Fax Number (202) 481-6481 Email: fsc.504liquidations@sba.gov

Commercial Loan Service Center – Little Rock

2120 Riverfront Drive, Suite 100, Little Rock, AR 72202-1794

Phone: (501) 324-5871 Toll Free: (800) 664-8564 Email:

lpsc.customerservice@sba.gov

Servicing: Fax Number (202) 292-3878 Email: lpsc.servicing@sba.gov

Express Purchase: Fax Number (202) 292-3877 Email: lpsc.expresspurchase@sba.gov

504 Liquidation: Fax Number (202) 481-6481 Email: lpsc.504liquidations@sba.gov

For more information on the Servicing Centers please use the web link below:

<http://www.sba.gov/aboutsba/sbaprograms/elending/clc/index.html>

The SBA Form 2237 may be found using the following web link:

http://www.sba.gov/idc/groups/public/documents/sba_homepage/sba_forms_2237.pdf

For questions regarding lender's delegated unilateral servicing actions please refer to the web link:

http://www.sba.gov/idc/groups/public/documents/sba_program_office/unilateral_action_matrix.pdf

Guidance on loan servicing is also outlined in the SOP 50-50 4

http://www.sba.gov/idc/groups/public/documents/sba_program_office/bank_sop5050.pdf

The 13 CFR 120 Subpart E outlines requirements under SBA loan administration.

<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?type=simple;c=ecfr;cc=ecfr;sid=d327edcb1cf87bd46d216c100df460dc;idno=13;region=DIV1;q1=120;rgn=div6;view=text;node=13%3A1.0.1.1.15.5>

LOAN AUTHORIZATION

After SBA approves the loan guaranty, an Authorization will be issued for the loan using the required language in the National 7(a) Authorization Boilerplate (Boilerplate). The Authorization is not a loan agreement. It is a contract between the Lender and SBA, who each sign the Authorization, indicating specific conditions which must be met for SBA to provide a guaranty on a loan made by the Lender to a Borrower. The requirements of the Authorization are directed to the Lender not the Borrower, and the Borrower does not sign the Authorization

Lenders are responsible for complying with SBA requirements to keep the SBA guaranty in force, and the Authorization emphasizes this SBA policy.

The Boilerplate may be found and downloaded from http://www.sba.gov/aboutsba/sbaprograms/elending/authorizations/BANK_AUTH_BOILERPLATE_7A.html

The Boilerplate is SBA's national standard. No regional, state, or local loan authorization boilerplate language may be used in place of the Boilerplate, and the language in the Boilerplate **MUST NOT** be altered.

The Boilerplate is also an excellent reference document. References to the specific regulations, standard operating procedures (SOPs) and Notices that relate to each section are contained in gray boxes above each section. Therefore, SOP references will appear in this chapter only for items not found in the Boilerplate.

The Boilerplate has been programmed as a Word Wizard for use by SBA in creating Authorizations ("Wizard"). Lenders are strongly encouraged to use the Wizard, but are not required to use it, and may automate the Boilerplate in other software if they choose. (Use of any other automation tools does not relieve Lenders from their responsibility to ensure that the Authorizations they create comply with the Boilerplate.) Note, all CLP and PLP lenders must submit a draft authorization.

The Boilerplate's nine separate sections:

- A. Guaranty Fee
- B. Servicing Fee
- C. Lender Requirements
- D. SBA Forms
- E. Lender Contingencies
- F. Note
- G. Use of Proceeds
- H. Collateral
- I. Additional Conditions

The Wizard's six separate sections:

1. Loan Information includes Boilerplate sections A.-E.;
2. Note Terms (Repayment) includes Boilerplate section F.;

3. Use of proceeds includes Boilerplate section G.;
4. Collateral includes Boilerplate section H.;
5. Additional Conditions I & II includes Boilerplate section I.

The Boilerplate reflects current SBA policy and is considered an appendix to SOP 50-10(5). It is updated as necessary to reflect policy changes in subsequent regulations, notices or SOP modifications. The Wizard also is updated as necessary to correct technical problems or upgrade the programming used. Updated Boilerplates are issued by Notice and replace all prior versions. Updates to the Boilerplate are available on SBA's banking website at www.sba.gov/banking

When SBA releases a new version, Lenders have a **30-day grace period** to begin using the new version. The Wizard prints the version number in the footer of each Authorization; it also can be viewed by selecting the "About 7(a) Wizard" option in the Wizard menu.

Suggestions to improve the Boilerplate or to include new provisions may be sent to Auth-7a@sba.gov. The Authorization committee will consider suggested changes during the review and updating process.

SBA Loan Number

SBA issues this number when SBA approves and funds the loan. This number never changes and should appear on **all** closing documents and any correspondence Lender has with SBA related to the loan.

SBA Loan Name

The SBA Loan Name is the first available name from this list:

- DBA of Operating Company (OC)
- Name of OC
- DBA of Borrower
- Name of Borrower - In the case of multiple Borrowers or OCs, apply the same rule, using the first OC or Borrower listed in the Authorization. (Note: The Wizard automatically selects the SBA Loan Name based on the Borrower and OC information provided.)

The SBA Loan Name may change if there is a change in OC or Borrower name or DBA from the time of application to the time of closing. **Notify SBA of any changes, so the Lender and SBA's records are consistent.**

Received Date

SBA requires the inclusion of a "received date" to facilitate interest rate calculations on variable rate loans. For loans processed by SBA, upon receiving **all** necessary documents, the SBA processing office stamps every application "received" on the date it arrives at SBA.

Borrower Information

SBA allows single Borrowers, Co-Borrowers, and multiple Borrowers in the 7(a) program. All requirements of the Authorization which refer to Borrower also apply to any Co-Borrower.

Multiple Borrowers – Lender may make a single 7(a) loan to multiple Borrowers (however, multiple EPC's are not allowed), provided each business is a co-obligor and anyone owning 20% or more of any of the applicant businesses is a Guarantor.

Eligible Passive Companies and Operating Companies (EPC/OC) – SBA allows a loan structure where the Borrower is a passive owner of the assets to be financed with the loan proceeds and leases the assets to an “Operating Company” (OC). The Borrower in these cases is called an “Eligible Passive Company” (EPC).

When using the Wizard, if the loan is structured as an EPC/OC loan, check the box on the Wizard indicating that the Borrower is an EPC. (If the OC is shown as a Co-Borrower only, the Authorization will not contain the assignment of rents provision required for EPC/OC loans in the collateral section and will not reference the requirements that apply to both Borrowers and OC in the rest of the Authorization.)

Responsibilities of 7(a) Lenders

The Authorization for each loan lists the specific conditions which must be met by the Lender for SBA to guaranty the loan. The Authorization does not outline what action the Lender must take to satisfy those conditions. **SBA expects the Lender to know that it must:**

- Submit applications for guaranty with all required forms, documentation and credit analyses, to the designated SBA processing center for review.
- Execute the Authorization, which is prepared by SBA (unless you are a PLP or CLP Lender).
- Close the loan in accordance with the Authorization, all policy and regulations.
- Maintain complete loan files.
- Service the loan in accordance with SOP 50-50 and regulations.
- Liquidate the loan in accordance with SOP 50-51 and regulations.
- Comply with SBA Loan Program Requirements for the 7(a) program; as such requirements are revised from time to time. (13 CFR 120.10.) SBA Loan Program Requirements in effect at the time that a Lender takes an action in connection with a particular loan governs that specific action. For example, **although loan closing requirements in effect when a lender closes a loan will govern closing actions, a lender's liquidation actions on the same loan are subject to the liquidation requirements in effect at the time that a liquidation action is taken.** (13 CFR 120.180) SBA Loan Program Requirements, center contacts and other information can be found at <http://www.sba.gov/aboutsba/sbaprograms/elending/>.

SBA also expects the Lender to know that it must:

- Prepare all necessary loan documents and have those documents signed by the appropriate individual(s), including spouses when necessary
- Perfect security interests (liens) in any collateral specified in the Authorization in accordance with applicable federal or state law
- Obtain evidence in the form of title insurance or reports or UCC lien searches that show the Lender obtained the specified lien position against all required collateral
- Disburse loan proceeds for only those purposes specified in the Authorization
- Retain evidence of how it complied with each condition set forth in the Authorization

Disbursement Period

(1) The disbursement period must be stated in the loan authorization and must be tailored to meet the requirements of each individual loan. The loan **must be fully disbursed within 48 months of approval** or any remaining undisbursed balance will be cancelled by SBA. SBA considers a revolving line of credit as fully disbursed at the time of first disbursement.

(2) Lenders may use an escrow account for not more than 5 business days to facilitate a loan closing. **A lender must not report the loan on SBA Form 1502 as “disbursed” or charge the borrower the guaranty fee until all funds are disbursed from the escrow account.** (See SOP 50 10 5(A), Subpart B, Chapter 7, III, Section A)

Note Terms

Maturity

The Lender may calculate the loan maturity date from either the date of the Note or the date of initial disbursement. Remember, if there is a change in the use of proceeds between the date that the loan is approved and the date that the Lender is ready to close the loan, the maturity date may have to be re-calculated and changes made to the Authorization.

Repayment Terms

The repayment terms inserted onto the SBA Note **must be EXACTLY the same** as those Boilerplate conditions that appear in the Authorization. The Lender must not replace or supplement the repayment terms in the Boilerplate or Authorization with Lender-specific language. If there is a need for a specific term for a particular loan that is not in the Boilerplate, the Lender must obtain approval from SBA.

State-Specific Language

Check the Authorization to ensure any necessary state-specific options have been inserted. If the Borrower moved to another state subsequent to loan approval, check to see that any necessary state-specific provisions that relate to the Borrower’s new state of residence are added to the Authorization and loan documents.

Prepayment Charges

Every Authorization contains prepayment language that must be inserted into the Repayment Terms section of the Note, as follows:

For loans sold on the secondary market-

Borrower may prepay this Note. Borrower may prepay 20% or less of the unpaid principal balance at any time without notice. If Borrower prepays more than 20% and the Loan has been sold on the secondary market, Borrower must:

- a. Give Lender written notice;
- b. Pay all accrued interest; and
- c. If the prepayment is received less than 21 days from the date Lender receives the notice, pay an amount equal to 21 days' interest from the date lender receives the notice, less any interest accrued during the 21 days and paid under subparagraph b., above.

If Borrower does not prepay within 30 days from the date Lender receives the notice, Borrower must give Lender a new notice.

All remaining principal and accrued interest is due and payable **Error! Reference source not found.**

For loans with a maturity of 15 or more years-

The Authorization must contain an additional prepayment fee, called a “subsidy recoupment fee.” This fee applies where the Borrower voluntarily prepays a loan; the prepayment amount exceeds 25% of the outstanding balance of the loan; and the prepayment is made within 3 years after first disbursement (not approval) of the loan proceeds. The fee calculation is as follows:

- During the first year after disbursement, 5% of the amount of the total prepayment;
- During the second year after disbursement, 3% of the amount of the total prepayment, and
- During the third year after disbursement, 1% of the amount of the total prepayment.

The Wizard automatically adds this provision for loans with maturities exceeding 15 years. (See SOP 50 10 5(A), Subpart B, Chapter 3, VI, Section F)

Use of Proceeds

The Boilerplate contains 25 specific “Use of Proceeds Options”. Lender can make one loan with several different use of proceeds provisions.

Lender must not include items to be paid by Borrower's equity injection or other funds not related to the SBA loan in this section of the Authorization. List only how loan funds are to be used.

Lender may not disburse loan funds solely to pay the guaranty fee. Lender may disburse, as working capital only, funds not spent for the purposes specifically stated in the Authorization if such funds do not exceed 10% of such specific purposes. An EPC must not receive any working capital. If the business has used operating capital to purchase hard assets, then those funds may, with proper documentation, be reimbursed to the business (not the owner) from SBA loan proceeds.

Restrictions on Use of Proceeds

Loan proceeds may **not** be used for any of the following purposes (including the replacement of funds used or borrowed for any such purpose): (13 CFR 120.130)

- Payments, distributions or loans to an **Associate** of the applicant except for compensation for services actually rendered at a fair and reasonable rate;
- Refinancing debt owed to an SBIC;
- Floorplan financing “see SBA Notice’s for eligibility”
- Investments in real or personal property acquired and held primarily for sale, lease or investment.
- Payment of Delinquent Taxes.
 1. Loan proceeds must not be used to pay delinquent IRS withholding taxes, sales taxes or other funds payable for the benefit of others.
 2. Payment of delinquent income taxes may be considered by SBA on a case-by-case basis the same as other delinquent accounts.
(See SOP 50 10 5(A), Subpart B, Chapter 2, IV, Section B)

Equity Injection

Lenders should document equity injection at the same time they document the use of proceeds –**at closing. The Lender must not disburse a loan until it has proof of any required equity injection.**

- Lenders **must** verify the injection **prior** to disbursing loan proceeds and must maintain evidence of such verification in their loan files. Lenders are expected to use reasonable and prudent efforts to verify that equity is injected and used as intended, and **failure to do so may warrant a repair or partial/full denial**. Lenders must submit with each purchase request on a loan for which the loan authorization required an equity injection, documentation to show that they verified the equity injection. Verifying a cash injection requires documentation such as a copy of a check along with evidence that the check was processed (e.g., at least one bank account statement dated before, but close to, disbursement showing that the funds were available and deposited into the borrower’s account), or a copy of an escrow settlement accompanied by a bank account statement showing the injection into the business prior to disbursement. **A promissory note, “gift letter” or financial statement alone is generally not sufficient evidence of cash injection.**

For further guidance on documenting an equity injection, including non-cash assets, see SOP 50 51, Loan Liquidation and Acquired Property, Chapter 13, Paragraph 24.

Collateral

The Lender is expected to know what documents and procedures are necessary to obtain and perfect an enforceable security interest or lien in each class of collateral identified in the Authorization. For more detailed information (See SOP 50 10 5(A), Subpart B, Chapter 4, II, Section A)

Federal Law Language

The following language must appear in all lien instruments including Mortgages, Deeds of Trust, and Security Agreements:

“The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:

- a) When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.*
- b) Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.*

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument.”

By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.

State-Specific Requirements

The Authorization lists any state-specific language that must be inserted in the Guaranty or other loan documents if the Guarantor or Borrower resides in that state. If a Borrower or Guarantor moves to a different state before loan closing, Lender must follow any appropriate state-specific requirements and must add such requirements to the Authorization and any other documents required, before loan closing.

Additional Requirements

Prior to initial disbursement, the Lender must ensure that the Borrower has obtained appropriate insurance coverage, as described below. The Lender also must ensure that the insurance remains in effect for the life of the loan:

Flood Insurance

The Lender must require Borrower to obtain Federal flood insurance, or other appropriate hazard insurance, if FEMA (Form 81-93) indicates that any portion of the collateral, including personal property, is or will be located in a special flood hazard zone. The amount of flood insurance must be the lesser of the insurable value of the property or the maximum limit of coverage available, and the policy must contain a MORTGAGEE CLAUSE/LENDER'S LOSS PAYABLE CLAUSE (or equivalent), in favor of Lender.

Borrowers who fail to maintain required flood insurance for the term of the loan are ineligible for future SBA assistance. The only exception is when flood insurance required for personal property collateral cannot be obtained or is prohibitively expensive. In such cases, the Lender must ask SBA for the waiver in writing and explain the circumstances. (See SOP 50 10 5(A), Subpart B, Chapter 5, II, Section C)

Hazard Insurance

Borrower must insure real estate and personal property, including machinery, equipment, furniture, fixtures and inventory, that is loan collateral in an amount equal to its full replacement cost. Where Borrower is unable to insure the property at its replacement cost, coverage must be for the maximum insurable value. The insurance policy must provide for at least 10 days written notice to Lender prior to policy cancellation, and contain a MORTGAGEE CLAUSE/LENDER'S LOSS PAYABLE CLAUSE (or equivalent), in favor of Lender, and state that any act or neglect of the mortgagor or owner or the insured property will not invalidate the insurable interest of the Lender.

(See SOP 50 10 5(A), Subpart B, Chapter 5, II, Section A)

Life or Disability Insurance

Lender must determine if the viability of the business is tied to an individual or individuals. In these situations, the lender must require life insurance. Life insurance must be consistent with the size and term of the loan. The amount of collateral available to repay the loan in the event of the death of the borrower may be factored into the determination of the appropriate amount of life insurance. The lender must assure that the borrower pays the premiums on the policy. The lender may accept the pledge of an existing life insurance policy. When a new policy is required, a decreasing term policy is most appropriate. Credit life insurance or whole life insurance should not be required.

(See SOP 50 10 5(A), Subpart B, Chapter 5, II, Section D)

Workers' Compensation Insurance

Borrower is required to obtain workers' compensation coverage in full compliance with state law.

Other Insurance

The Lender may require the Borrower to obtain additional insurance, including liability insurance, product liability insurance, dram shop/host liquor liability insurance, malpractice Insurance, or other state-specific insurance requirements, depending on the nature of the business obtaining the loan and the risk Lender perceives.

Environmental Investigation and Certifications

Prior to loan closing and disbursement, SBA requires that Lender conduct an adequate Environmental Investigation on all commercial real estate serving as security for any SBA-guaranteed loan processed by the Loan Guaranty Processing Center and submit the results of the investigation to SBA for approval. In the event of potential or actual contamination, Lender must assure and SBA must agree that the risks associated with contamination have been sufficiently minimized in accordance with SOP 50 10 5(A). In addition, prior to loan closing, Lender must obtain all environmental certifications set forth in the Authorization. (See SOP 50 10 5(A), Subpart B, Chapter 4, III) and for further instruction's on how to create an Environmental Questionnaire (See SOP 50 10 5(A), Subpart C, Appendix 2).

Borrower, Guarantor and Operating Company Documents

Different documents are required for the different types of legal entities (for example, corporations, sole proprietorships, partnerships, limited liability companies, and limited liability partnerships). Several common types of legal structures and their required documents are listed in the Authorization. This list provides Lenders with general guidance on the documents required for the various types of entities, and accommodates changes in organization structure that may be made before closing. Lenders must notify SBA of any changes to Borrower's or Operating Company's structure or organization, and must submit material changes to the Authorization for SBA approval.

This section also contains requirements for the small business concern's trade name registration, evidence that ownership and management have not changed without Lender's approval and some additional optional paragraphs.

Operating Information

Tax Return Verification and SBA/IRS Form 4506T

SBA requires Lenders to verify the accuracy of financial information being relied on for the credit and eligibility determination. The only exceptions to this requirement are (i) for start-up companies (who have no financial information to verify) and (ii) for Guarantors. (Note: If the transaction involves a change of ownership, verification of the seller's financial information is required.)

The Lender must use an SBA/IRS Form 4506T (SBA logo on the right hand top portion) to request a transcript, not a copy, of the tax return. The transcript provided by IRS is a line by line summary. (Partnership and corporate returns are not transcribed in full but are rather

covered in a form letter containing limited financial data.) To expedite the loan application process, Lenders are advised to submit Form 4506T as soon as possible in the application process.

Upon receipt of the IRS transcript, the Lender must compare it with the financial statements that the Borrower submitted prior to any disbursement. If there is a significant discrepancy, the Lender must notify SBA and not disburse any loan proceeds until the discrepancy is resolved. If that happens, the Lender can inform the applicant that SBA halted disbursement while it investigates an adverse change but the Lender may not refer to the IRS verification specifically. **SBA may deny liability on its guaranty to any Lender who disburses any proceeds whatsoever before receiving a response (or after receiving a response but before a discrepancy is resolved).**

If the IRS has not responded within 10 business days from the time Lender submitted the 4506T, Lender may disburse the loan but still must obtain a response from the IRS, by resubmission of the 4506T if necessary, and must conduct the necessary comparison. (See loan authorization or SOP 50 10 5(A), Subpart B, Chapter 5, III, Section D) for more detailed information)

Authority to Conduct Business

The Lender must obtain evidence of the Borrower's Employer Identification Number (EIN) and any permits, licenses, insurance or other approvals necessary for the Borrower to lawfully operate the business. For example, if the Borrower is an attorney, engineer or doctor, the Lender is required to obtain a copy of the license required by the state.

Other Possible Requirements

Agreement of Franchisor

When lending to a franchise, the lender should consider obtaining an agreement from the franchisor that:

- a. allows lender and SBA access to Franchisor's books and records relating to Borrower's billing, collections and receivables;
- b. upon loan payment default or deferment, defers payment of franchise fees, royalties, advertising, and other fees until Borrower brings loan payments current;
- c. gives lender 30 days notice of intent to terminate the Franchise Agreement; and/or
- d. gives lender an opportunity to cure any default under the franchise or lease agreement that is given the franchisee under the same agreements

(See SOP 50 10 5(A), Subpart B, Chapter 5, VII)

Change of Ownership

A stock purchase may be used to effectuate a change of ownership in a going concern. This method may be used where (1) the corporation redeems or repurchases all outstanding shares from existing shareholders, or (2) a third party buyer purchases all outstanding shares from existing shareholders. In either case, certain documentation is required at loan closing:

- The buyer(s) and corporation must sign the note;
 - The principals of the buyer will be required to guaranty the loan; and
 - The Lender should obtain an opinion from the Borrower's or Lender's counsel that the transaction complies with state law and specifying that adequate consideration exists and that the corporation cannot deny liability for the debt for failure of consideration.
- (See SOP 50 10 5(A), Subpart B, Chapter 2, IV, Section F)

Appraisals

The Authorization may require an appraisal of real estate or equipment. An appraisal is not required for real estate pledged as collateral but not financed by the SBA loan, unless the real estate is the "primary collateral" for the loan. Real estate is considered "primary collateral" for loans where the assets being financed provide less than 50% collateral coverage.

Appraisers must be:

- Independent and have no direct or indirect, financial or other interest in the property being appraised or the loan transaction.
- Capable of rendering an unbiased opinion.
- Hired and paid by the Lender, not the Borrower or the seller of the property or business. State certified or licensed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).

A Lender may accept a SELF-CONTAINED APPRAISAL REPORT or a SUMMARY APPRAISAL REPORT however, a RESTRICTED APPRAISAL REPORT is **never** acceptable for an SBA-guaranteed loan. An acceptable appraisal will:

- Identify and describe the real property
- Identify the interest being appraised and include the legal description and known encumbrances
- State the purpose and intended use of the appraisal
- Define the value (cost, income or comparable sales) to be estimated
- State the dates of the appraisal and report
- Identify all assumptions and limiting conditions
- Specify how data was collected and reported
- Describe the information considered, procedures followed, analysis, opinions and conclusion
- Provide the appraiser's opinion of highest and best use, when appropriate
- Explain the exclusion of any usual valuation method
- Provide any additional information that may be appropriate
- Have the signature and certification of the appraiser and include a disclosure by the appraiser of any involvement or relationship with the owner.

For more information on Appraisal requirements SOP 50 10 5(A), Subpart B, Chapter 4, II, Section C)

Special Provisions When the Loan Covers Construction

Earthquake Provision

When loan proceeds are used to construct a new building or to construct an addition to or renovate an existing building, the Authorization will include a provision entitled “Building Standards,” which requires the Lender to comply with Presidential Executive Order 12699 “Seismic Safety of Federal and Federally Assisted or Regulated New Building Construction”. The Lender must comply with this requirement even if the construction project is not located in an area historically known for earthquake activity.

This means that all construction must comply with either the standards published by the National Earthquake Hazards Reduction Program’s “Recommended Provisions for the Development of Seismic Regulations for New Buildings” (NEHRP) or one of these alternative standards:

- 1991 Uniform Building Code of the International Congress of Building Officials (ICBO);
- 1992 Supplement to the Building Officials and Code Administrators (BOCA) National Building Code; or
- 1992 Amendments to the Southern Building Code Congress (SBCC) Standard Building Code.

Lenders must obtain a certification from a licensed architect, construction engineer, or similar professional, or a local or state agency responsible for building code enforcement, stating that the construction complies with the NEHRP standards or one of the alternative standards.

(1) Evidence of compliance with the "National Earthquake Hazards Reduction Program Recommended Provisions for the Development of Seismic Regulations for New Buildings" (NEHRP), or a building code that has substantially equivalent provisions.

- (i) The NEHRP provisions may be found in the American Society of Civil Engineers (ASCE) Standard 7 and the International Building Code.
- (ii) Examples of evidence include a certificate issued by a licensed building architect, construction engineer or similar professional, or a letter from a state or local government agency stating that an occupancy permit is required and that the local building codes upon which the permit is based include the Seismic standards.

(See SOP 50 10 5(A), Subpart B, Chapter 5, VI, Section A)

General Construction Loan Requirements

These provisions are intended to ensure quality construction and reduce the risk to both the Lender and the Borrower should the loan proceeds allocated to the construction turn out to be insufficient to cover the full cost of construction. Generally, Lender may **not allow** the Borrower to act as its own general contractor

Lender must:

- Obtain evidence of the Borrower's ability to pay cost overruns,
- Make regular inspections to ensure that construction conforms to plans,
- Obtain evidence that the completed building will meet all necessary codes and permits requirements,
- Obtain properly executed Forms 601,
- Obtain lien waivers or releases, and
- Take all safeguards appropriate to construction loans.

When building inspections are required as a condition before disbursing additional proceeds, the inspections must be conducted by a qualified individual. Inspections by Lenders are not sufficient and do not comply with SBA's requirements.

SBA Form 601 is required by federal civil rights laws when proceeds of more than \$10,000 are used for construction. This form, known as the "Agreement of Compliance", is a certification that the contractor has complied with anti-discrimination laws. **Both the contractor and the Borrower** must execute the SBA Form 601 no later than the loan closing. SBA Form 601 is not required when SBA-guaranteed funds are used to refinance interim debt.

(See SOP 50 10 5(A), Subpart B, Chapter 5, VI).

Bond Requirement

B. If the construction component of an SBA-guaranteed loan is more than \$350,000:

1. Prior to the commencement of any construction, lender must obtain from Borrower:

- a) Evidence that the contractor has furnished an 100% performance bond and labor and materials payment bond;
 - (1) Only a corporate surety approved by the Treasury Department using an American Institute of Architect's form or comparable coverage may issue these bonds.
 - (2) Only Borrower may be named as obligee on the bonds.
- b) Evidence that contractor carries appropriate Builder's Risk and Worker's Compensation Insurance;
- c) Evidence that Borrower has injected the required funds into the project prior to disbursement of the loan, if Borrower is injecting funds into the construction project;
- d) A copy of the final plans and specifications; and
- e) A copy of a Construction Contract with:
 - (1) An acceptable contractor at a specified price; and
 - (2) An agreement that Borrower will not order or permit any material changes in the approved plans and specifications without prior written consent of lender and the surety providing the required bonds;

2. Lender also must:

- a) Obtain evidence of Borrower's ability to pay cost overruns or additional construction financing expenses prior to approving any contract modification. Lender and SBA are not obligated to increase the loan to cover cost overruns;

- b) Make interim and final inspections to determine that construction conforms to the plans and specifications;
- c) Obtain evidence that the building, when completed, will comply with all state and local building and zoning codes, and applicable licensing and permit requirements;
- d) Obtain a completed SBA [Form 601](#), Applicant's Agreement of Compliance; and
- e) Obtain lien waivers or releases from all materialmen, contractors, and subcontractors involved in the construction.

3. SBA has granted a blanket waiver on the requirement of a performance bond when a third party in the business of providing construction management services controls the disbursement of the proceeds. Lender must document in its file that the construction was completed in conformance with the plans and specifications and that all lien waivers and releases from all materialmen, contractors, and subcontractors involved in the construction have been obtained. ([13 CFR 120.200](#))

C. If the construction financing has an SBA guaranty and the construction costs will exceed \$10,000, the lender must obtain a completed SBA Form 601, Applicant's Agreement of Compliance.

D. Do-it-yourself" construction and/or installation of machinery and equipment, or situations where the borrower acts as its own contractor have proven to be generally unsatisfactory and can cause problems with lien waivers and mechanics liens, causing potential losses to lender and/or SBA. "Do-it-yourself" construction and/or installation of machinery and equipment, or situations where the borrower acts as its own contractor may be permitted, if the lender can justify and document in the loan file that:

1. The borrower/contractor is experienced in the type of construction and has all appropriate licenses;
2. The cost is the same as, or less than, what an unaffiliated contractor would charge as evidenced by 2 bids on the work; and
3. The borrower/contractor will not earn a profit on the construction, it may be permitted.

(See SOP 50 10 5(A), Subpart B, Chapter 5, VI, B)

Borrower's Certifications

(1) As part of the terms and conditions of the Authorization, the lender must obtain certain certifications and agreements from the Borrower and the Operating Company **prior** to disbursement of loan proceeds. These certifications are generally found in paragraph 9 of Section I (Additional Conditions) of the Authorization. Borrower and OC must certify that:

- They received a copy of the Authorization;
- That there has been no adverse change in Borrower's (and Operating Company's) financial condition, organization, operations or fixed assets since the date the Loan Application was signed.
- No 50% or more owner of the borrower or OC is more than 60 days delinquent on any obligation to pay child support;
- They are current on all federal, state and local taxes, including but not limited to income taxes, payroll taxes, real estate taxes and sales taxes;

- For any real estate pledged as collateral for the loan or where the borrower or OC is conducting business operations, they are in compliance with all local, state and federal environmental laws and regulations and will continue to comply with these laws and regulations. Furthermore, they are unaware of any other actual or potential environmental hazards related to the collateral or business premises. They agree to fully indemnify lender and SBA against all liabilities or losses arising from the contamination of the property before or during the term of the loan.
- They will reimburse lender for expenses incurred in the making and administration of the loan;
- They will maintain proper books and records, allow lender and SBA access to these records, and furnish financial statements or reports annually or whenever requested by lender.
- They will post SBA Form 722, Equal Opportunity Poster, where it is clearly visible to employees, applicants for employment and the general public;
- To the extent practicable, they will purchase only American-made equipment and products with the proceeds of the loan; and
- They will pay all federal, state and local taxes, including income, payroll, real estate and sales taxes of the business when they come due.

(2) Borrower and OC must certify that they will not, without the lender's prior written consent:

- Make any distribution of company assets that will adversely affect the financial condition of Borrower and/or OC;
- Change the ownership structure or interests in the business during the term of the loan; or
- Sell, lease, pledge, encumber (except by purchase money liens on property acquired after the date of the Note), or otherwise dispose of any of the Borrower's property or assets, except in the ordinary course of business.

(3) Additional certifications from Borrower and Operating Company

The Authorization provides for additional certifications from Borrower and Operating Company regarding:

- limitations on acquiring additional fixed assets;
- limitations on acquiring additional business location(s);
- salary limitations; and
- occupancy requirements.

(4) Sample Borrower's Certification

A sample Borrower's Certification is included in the Authorization as Appendix D. Lenders may use this form or create and use their own certification form.

(5) Separate Loan Agreement

SBA does not require a separate loan agreement to be signed by the borrower. If the lender requires a separate loan agreement on its non-SBA guaranteed loans, it may do so on its SBA-guaranteed loans. The lender may use its own form of loan agreement or it may use the sample Loan Agreement included in the Authorization as Appendix D.

SOP 50 10 5(A), Subpart B, Chapter 7, III, D)

Required SBA Forms for Closings

Lenders must use the SBA forms listed in Section D of the Authorization. Substitutions are not allowed. Lenders may use computer-generated versions of mandatory SBA Forms, as long as they are exact reproductions. These forms are:

- Note, SBA Form 147, version 4.1
- Guaranty, SBA Form 148
- Limited Guaranty, SBA Form 148L
- Settlement Sheet, SBA Form 1050
- Compensation Agreement, SBA Form 159(7a)
- Agreement of Compliance, SBA Form 601
- Equal Employment Opportunity Poster, SBA Form 722
- Environmental Questionnaire/Transactional Screening Analysis
- Tax Return Verification, SBA/IRS Form 4506T

The Wizard will automatically insert into the Authorization a list of required forms, as applicable.

The Authorization contains the information needed to complete these forms. SBA Forms and Instructions can be found at www.sba.gov/banking (choose >Forms) or Effective Date: March 1, 2009 213 Subpart B SOP 50 10 5(A) 2. SBA forms and instructions can be found at <http://www.sba.gov/tools/Forms/SBApartnerforms/lenderforms> and <http://www.sba.gov/tools/Forms/smallbusinessforms/fsforms>

Note, SBA Form 147

Lenders must use SBA Form 147, Version 4.1, and must follow the instructions accompanying the form on how to complete the form.

In the Information Grid at the top of the Note, Lenders must insert information as follows:

- SBA Loan Number and SBA Loan Name: same as stated in the Authorization; name must match the signature block
- Date: the date the Note will be signed
- Loan Amount: principal amount
- Interest Rate:
 1. Fixed rate loans – insert the actual fixed rate, for example “10%”
 2. Variable rate loans – insert “variable rate” or “P+2%”
- Borrower:
 1. Insert **ALL** Borrower names
 2. No DBAs
- Operating Company:
 1. Applicable only if EPC structure
 2. Insert Operating Company name
 3. No DBAs

The “SBA Loan Name” and the “Borrower” are not usually the same. Under the SBA Loan Name convention, the Borrower Name is the last option for the SBA Loan Name. **If any of the names have changed from the time the loan was approved, the Lender must notify SBA as well as document the changes on the Authorization.**

Remember:

- Repayment terms must match the Authorization exactly.
- Check for state-specific terms in the Repayment section and the Collateral section of the Authorization.

Guaranty, SBA Forms 148 and 148L

The Authorization will indicate whether repayment of the loan must be guaranteed by specific individuals or specific legal entities, such as corporations, trusts, or partnerships. Whenever the Authorization requires Guaranties, the Lender must use SBA Form 148, Unconditional Guaranty, or SBA Form 148L, Limited Unconditional Guaranty, and must follow the instructions accompanying the form on how to complete the form. The use of this form ensures nationwide consistency in court decisions interpreting the enforceability of the guaranty against guarantors of SBA loans.

The Authorization will indicate whether a Guaranty must be full or limited. SBA Form 148 is used whenever the Guarantor is liable for repayment of the entire amount of the Borrower’s loan. SBA Form 148L is used whenever the Lender intends to limit the scope of the Guarantor’s liability, such as limiting the amount or duration of the Guaranty, or limiting the Guarantor’s obligation to the Guarantor’s interest in any property (real or personal) pledged to secure repayment of the loan. If a Guaranty is limited, the Authorization will describe the limitation.

The Lender should use a **separate** Guaranty form for **each** Guarantor. This will allow greater flexibility in developing a plan for liquidating a loan if that should become necessary in the future. (The Lender may need to sue Guarantors in different states or attempt to collect from one Guarantor after another Guarantor’s liability has been discharged in bankruptcy.)

In the Information Grid at the top of the Guaranty, Lenders must insert information as follows:

- SBA Loan Number and SBA Loan Name: same as stated in the Authorization
- Guarantor: name of Guarantor for this Guaranty; name must match signature block
- Borrower:
 1. Insert ALL Borrower names
 2. No DBAs
- Date: the date this Guaranty will be signed
- Note Amount: principal amount, numbers only

Remember to check the Collateral section of the Authorization for any state-specific conditions that Lender may need to include on the Guaranty form. **Collateral securing the Guaranty must not be listed on the Guaranty form.**

SOP 50 10 5(A), Subpart B, Chapter 4, II, B)

Settlement Sheet (Use of Proceeds Certification), SBA Form 1050

The Lender is responsible for disbursing loan proceeds strictly in accordance with the requirements of the Authorization; **failure of a Lender to do so is a leading cause for SBA to deny its liability under the SBA loan guaranty.**

The Lender must document loan disbursements with the SBA Form 1050, Settlement Sheet. This form is signed by both the Lender and the Borrower at the time Lender makes the **first** disbursement and the additional documentation must contain sufficient detail for SBA to determine who received loan proceeds, when the loan proceeds were disbursed and in what amount and, most importantly, how the loan proceeds were used. The Lender must obtain evidence, such as cancelled checks or paid receipts, to ensure that the Borrower used loan proceeds for purposes stated in the Authorization. The Form 1050 also requires Lenders to disburse loan proceeds using joint payee checks when possible. If there are subsequent disbursements, lender must document each disbursement and attach the documentation to the original SBA Form 1050.

The Lender must retain the signed SBA Form 1050, Settlement Sheet, as well as all other documents that support the Borrower's use of loan proceeds. If the Lender subsequently requests that SBA purchase the guaranteed portion of the loan, it must submit complete documentation that loan proceeds were used as authorized.

SOP 50 10 5(A), Subpart B, Chapter 7, III, C, 4)

Compensation Agreement, SBA Form 159(7a)

An SBA Form 159(7a) must be completed for every representative that the Borrower engages to assist it in obtaining financial assistance. This requirement covers every person (or company) that charges the Borrower in connection with its application, especially loan packagers. If a Borrower employs the services of both an attorney and an accountant, each of them must complete a separate Form 159(7a). **Any Agent paid directly by the Lender and not by the Borrower (either directly or indirectly) does not need to complete a Form 159(7a) (appraiser, environmental professional, or attorney employed by the lender).**

The fees paid must bear a reasonable relationship to the services actually performed and be reasonable in the market where Borrower is located. Therefore, contingency fees, where the person providing the assistance is paid only if the Borrower obtains assistance, are not permitted. The fee must relate to the services (and, therefore, the time spent). Therefore, fees that are based upon a percentage of the loan amount sought are not generally approved.

If the fee charged exceeds \$2,500, the representative must provide additional documentation. This includes all of the following: each date a service was rendered, a description of the service, the time spent on that date, and the cost accrued on that date. A bill, for example, that says simply a total of \$x is owed "For Services Rendered" is not adequate.

(See SOP 50 10 5(A), Subpart B, Chapter 3, VIII & IX)

(See SOP 50 10 5(A), Subpart B, Chapter 7, III, C, 5)

SBA Forms 722

These two required forms must be provided to the Borrower in connection with every loan closed. The SBA Form 722 is an “Equal Employment Opportunity Poster”.

The poster notifies the Borrower’s employees as well as the public that they have the right under federal law not to be discriminated against. Therefore, federal law requires the Borrower to display this poster “where it is clearly visible to employees, applicants for employment, and the public.”

SOP 50 10 5(A), Subpart B, Chapter 7, III, C, 6)

Optional SBA Forms

SBA has kept the number of SBA standard loan closing forms that a Lender must use to a minimum, to allow the Lender maximum flexibility to close its loans efficiently and economically. SBA does, however, offer a number of standard forms that a Lender may use in its own discretion, if the Lender, or its counsel, determines that such forms are legally sufficient under applicable state law. These forms include:

- SBA Form 155, Standby Creditor’s Agreement (Used to restrict the Borrower’s payments to other creditors)
- SBA Form 160, Resolution of Board of Directors (Used to document that a corporate Borrower has authorized the corporation to enter into the loan obligation and authorized certain corporate officers to execute the documents necessary to bind the corporation to the obligation.)
- SBA Form 160A Certificate as to Partners (Used for same purpose as SBA Form 160, but for a partnership Borrower.)

Standby Creditor’s Agreement, SBA Form 155

Frequently, Lenders will want to restrict the ability of the Borrower to pay its other creditors while the 7(a) loan remains outstanding to conserve cash flow. In these instances, the Lender may use SBA Form 155, Standby Creditor’s Agreement to exert control over the Borrower’s ability to pay its other creditors. When using SBA Form 155, the Lender must remember five key points:

- The “Standby Borrower” is the SBA Borrower and the “Standby Creditor” is the Borrower’s other creditor, not the Lender.
- The form contains a menu of choices, which allows Lender to select the appropriate restriction on the Borrower’s ability to pay its other creditor(s).
- In order to be enforceable, the Standby Creditor must sign and date the form.
- The Lender’s right to stop the Standby Creditor from accepting or retaining payments made by the Borrower is predicated in most cases by the requirement that the Lender separately notify the Standby Creditor to stop accepting payments.
- SBA Form 155 will not subordinate any security interest held by the Standby Creditor in the same collateral pledged to secure repayment of the SBA loan. This must be accomplished with a separate Subordination Agreement.

(See SOP 50 10 5(A), Subpart B, Chapter 5, IV, A) or Subpart B, Chapter 4, I, B, 2, 4)

Discontinued SBA Forms

The following forms are no longer used to close SBA loans;

SBA Form 1261 cancelled 3-24-06

SBA Form 2004 cancelled 5-31-02

SBA Form 793 and SBA Form 652 are no longer required

Colson Form 1502

A lender must not report the loan on SBA Form 1502 as “disbursed” or charge the borrower the guaranty fee until all funds are disbursed from the escrow account.

For detailed information on Colson Services and the 1502 process please use the following link: <http://www.colsonservices.com/main/index.shtml> . Once on the website click on the 1502 Reporting icon and this will take you to the 1502 Reporting Center.

A blank template, which does not contain any of the calculation formulas, is available on this site. A sample 1502 form in Excel format, that was created using the template, has been provided also. For guidelines on using spreadsheets to report 1502 information, please view *1502 Electronic Data Specifications @*

<http://www.colsonservices.com/main/forms/1502ElectronicDataSpecifications.pdf>

The template spreadsheet is one of 10 reporting solutions available to the SBA 7(a) lending community. Once completed, we encourage you to submit your 1502 Form spreadsheet via e-mail to: 1502@COLSONSERVICES.COM or on diskette to: Colson Services Corp., 120 Broadway, 19th Floor, New York, N.Y. 10271, Attn: Cash Processing.

Please direct all questions regarding this template to Colson Services Corp.’s SBA Fee & Status Information Customer Service Department at (212) 266-7998 or (877) 245-6159.

For detailed instructions on submissions see the [Instructions for SBA Form 1502 Submissions \(mail/fax/wire\) @](#)
<http://www.colsonservices.com/main/forms/1502WireInstructions.pdf>

If you have trouble finding the SBA documents you need to complete the closing of your loan, try using the links shown below. Remember not all of the documents listed are needed on every loan. Please refer to your authorization when choosing the appropriate forms to use.

http://www.sba.gov/idc/groups/public/documents/sba_homepage/forms_mis772.pdf

722 EEO Poster

http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_tools_forms_lender_1050.pdf **1050 Settlement Sheet**

http://www.sba.gov/idc/groups/public/documents/sba_homepage/tools_len147.pdf

147 Note - 7(a) Loans

http://www.sba.gov/idc/groups/public/documents/sba_homepage/tools_len147x.pdf

147 Note Instructions

http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_tools_forms_lender_148i.pdf **148/148L Instructions**

http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_tools_forms_lender_148.pdf **148 Unconditional Guarantee**

http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_tools_forms_lender_148l.pdf **148 Unconditional Limited Guarantee**

http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_tools_forms_lender_155.pdf **155 Standby Agreement**

http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_tools_forms_lender_1597a.pdf **159 (7a) Fee Disclosure Form and Compensation Agreement for Agent Services**

http://www.sba.gov/idc/groups/public/documents/sba_homepage/tools_sbic601.pdf

601 Agreement of Compliance

http://www.sba.gov/idc/groups/public/documents/sba_homepage/tools_sbf_finasst1846.pdf

1846 Statement Regarding Lobbying

http://www.sba.gov/idc/groups/public/documents/sba_homepage/forms_mis1261.pdf

1261 Statements Required by Laws and Executive Orders

http://www.sba.gov/idc/groups/public/documents/sba_homepage/forms_irs45t.pdf

4506-T Request for Transcript of Tax Return

http://www.sba.gov/idc/groups/public/documents/sba_homepage/tools_sbf_finasst1624.pdf

1624 Certificate Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Lower Tier Covered Transactions

Frequently Asked Questions:

Does SBA prepare the required SBA closing Documents?

No, the lender does.

Does the Bank use internal forms for the Security Documents?

Yes. On all non-SBA forms the bank is required to use their own forms and to show prudent lending practices in keeping with their non-SBA business loans.

How do we receive the Authorization from the SBA?

We fax you a copy and a hard copy is sent to you by Priority Mail the same day (the packet usually takes 3-5 days to reach you). We are currently developing a system to send the forms to you electronically.

What forms are sent by mail to the bank in the closing package?

You should receive a signed loan authorization, a Lender loan closing document, a child support document, a loan agreement and a borrower's certification.

Will the SBA send me an electronic version of the authorization that I am able to copy & paste into the Note Terms?

Not automatically. Lenders are strongly encouraged to create an authorization and submit them with their loan applications. Once the document is created you can copy and paste sections of it onto your Note and other documents. (Be sure your copy and the SBA copy are an exact match.) We are currently developing a system to send the authorization to you electronically.

What do we enter for State-Specific Provisions on Note and Unconditional Guarantee?

All authorizations have State-Specific language for each individual State (you can also check the Boiler Plate). Copy it straight off the Authorization.

How do I create the signature block on the Note and Unconditional Guarantee?

Type it onto a blank work document and then paste it into the Note or Guarantee.

Where and when do we send docs to the SBA for review per Section C of the authorization?

The lender should retain all loan closing documents. Send the documents to the SBA **only** if you are requesting the SBA to honor its Guarantee on the Loan, or if the SBA requests the documents for review.

Where and when do I send docs to the SBA for review per Section D of the authorization?

Submit the forms **only** if you are requesting the SBA to honor its Guarantee on the Loan, or if the SBA requests the documents for review. (On CAPLINE loans submit the CAP-1050 Form to the service center every April 30th and October 31st.)

Do we have to follow the payment allocation in Section F of the authorization?

Yes. If you wish to change the Note terms you must submit a 327 modification request.

Can we use the bank base rate instead of WSP, LIBOR or the PEG rate?

No. Bank rates are not allowed for Standard 7a and Rural Lender Advantage programs.

At what point do we have the borrower sign the IRS Form 4506-T per Section I of the authorization, so we can have it back prior to disbursement?

Have the borrower sign it when they sign the other application forms. That way you will have the transcripts back from the IRS before you have to disburse the loan.

Who sends the IRS Form 4506-T to the IRS and who should the IRS send the transcripts to?

You send the 4506-T to the IRS and you should have the transcripts sent to you at the bank. That way you can compare the tax returns & transcripts before closing. If you see any significant discrepancies that would have impacted your/our decision to approve the loan, notify the SBA.

Do we have the borrower sign the Borrower Certification at the time of closing?

Yes. If possible sign all closing documents at the same time.

When we fill out the SBA Form 1050 Settlement Sheet do we need a separate sheet for each disbursement?

Lenders must document each disbursement on an SBA-guaranteed loan. The lender and borrower must complete and sign SBA Form 1050 at the time of first disbursement. If there are subsequent disbursements, lender must document each disbursement and attach the documentation to the original SBA Form 1050.

How long do I have to disburse the loan?

The disbursement period must be stated in the loan authorization and must be tailored to meet the requirements of each individual loan. The loan must be fully disbursed within 48 months of approval or any remaining undisbursed balance will be cancelled by SBA. SBA considers a revolving line of credit as fully disbursed at the time of first disbursement.

Where can I find instructions on how to fill out the SBA Form 159(7a) Fee Disclosure Form and Compensation Agreement?

For more information refer to the (See SOP 50-10(5), Subpart B, Chapter 3, VIII & IX) for further discussion of compensation of Agents.

Do I have to send the completed SBA Form 159(7a) to the servicing center?

No. Lender should retain the document in their bank file.

Do we just give the borrower the Form 722 Equal Employment Opportunity poster and tell them to post it?

Yes. Stress to the borrower that federal law requires the borrower to display this poster “where it is clearly visible to employees, applicants for employment, and the public.”

If the loan has blended collateral, ie equipment and real estate, do we need both a Security Agreement and Mortgage?

Yes. You will need to get a UCC security agreement on the equipment and a mortgage on the real estate. If you already have a mortgage document that includes the UCC security agreement you may use it.

Is standard Demand language allowed on the Note?

You may only use the Demand language that is in the SBA authorization.

Can first time Lenders have their closing forms reviewed by the SBA to confirm they are in compliance with SBA rules, regulations, policies and procedures?

First time lenders can contact their local District Office for a review of their closing forms and suggestions on how to streamline their SBA closing process.

How do I request that the SBA approve an increase or decrease in the loan amount?

The rules and regulations concerning additional guaranty fees for loan increases has changed as of August 1, 2008 SOP 50 10 5(A), Page 155 Section f. “Additional Guaranty Fee for Loan Increases”). You must send in the new revised guaranty fee along with your request to the SBA Service Center (Fresno or Little Rock) on all loan increases. If you have already submitted the guaranty fee on the original loan amount, then you would send in the difference.

Can I make an interim loan to the Borrower after I get the SBA loan number, but before I close the SBA loan?

Yes. You must submit a loan modification (327 Action) requesting a change in the Use of Loan Proceeds. If within the first **7 days** of approval, submit your 327 request to the Standard 7a Loan Guaranty Processing Center (LGPC) by e-mail 7aLoanProgram@sba.gov. Once servicing has transferred to the CLCS please use the SBA Form 2237 for all loan actions that are covered on that form.

Does the borrower have to sign the Certification of Compliance with Child Support Obligations if they say it doesn't apply?

Yes. Have the borrower line through the document, write NA, sign and date the document. (This confirms the lender asked one more time prior to disbursement.)

If there is an error on the Authorization, and I send in a 327 request, do I get a new authorization?

No. You will make the changes to your copy of the authorization and retain a copy of the SBA 327 concurrence for your records (we do not provide corrected authorizations).

Do I have to use the SBA Form 2237 for all my loan modification (327) requests?

For 327 loan modifications requests sent to the LGPC, within the first 7 days of approval, you don't need to use the form. **Please remember to include your name, bank name, phone number, fax number, name of business, SBA loan number, control #, and state what you want to change and why.** (Once servicing has transferred to the CLCS please use the SBA Form 2237 for all loan actions that are covered on that form.)

Where do I send my SBA Form CAP-1050?

Always send it to the Servicing Center.

How do I know which Commercial Loan Service Center is servicing my loan?

There are two Commercial Loan Centers. To determine which Commercial Loan Centers handles your institution's activity please "click" on the link below to reveal a map showing the geographic coverage of each of the Commercial Loan Centers (CLCs).

http://www.sba.gov/idc/groups/public/documents/sba_program_office/sba_elending_clc_mapper.pdf

On the authorization do I put the borrowers physical address or P.O. Box or both?

You may put either or both on your authorization. Just make sure that whatever you choose it is consistently used throughout all the documentation.

Where do I send the Semi-Annual Funds Disbursement Report?

Send it to the Servicing Center.

Where do I send my Capline monthly borrowing base certificates?

Send it to the Servicing Center



FAQs Payment Modifications

1. *What types of payment modifications are available in connection with an SBA guaranteed loan?*

- Temporary/permanent reduction of interest.
- Defer payments and/or principal only.
- Extend Maturity Date to reduce payments.
- Temporary Reduction of Payments.
- Re-amortize loan payments.

2. *What provisions of SBA's SOP address these payment modifications?*

Standard Operation Procedure 50-50-4, Chapter 5, paragraphs 8(a), 15(a), 16(a), 17 as well as Chapter 7, Paragraphs 5(b) – 5(h).

3. *Can payment modifications be made to loans sold on the Secondary Market?*

Any modifications to the rate and term on a SBA loan that is sold on the Secondary Market must have investor approval.

4. *Does SBA have to approve these payment modifications?*

No. All of the foregoing payment modifications can be approved under your delegated, unilateral authority. So, you may proceed without SBA approval. However, you must document your file.

5. *Are there some servicing actions that must receive prior approval by SBA?*

Yes. Title 13 of the Code of Federal Regulations §120.536 lists the following servicing actions that require SBA's prior written consent:

- Increases to the principal amount of a loan above that authorized by SBA at loan origination.
- Any action that confers a Preference on the Lender or CDC or engages in an activity that creates a conflict of interest.
- Compromises on the principal balance of a loan.
- Taking title to any property in the name of SBA.
- Taking title to environmentally contaminated property, or taking over operation and control of a business that handles hazardous substances or hazardous wastes.
- Transfers, sells or pledges of more than 90% of a loan.
- Any action for which prior written consent is required by a Loan Program Requirement.

6. *Are there some actions that the lender can take unilaterally first and then tell SBA after the fact?*

Yes, the following unilateral actions may be taken unilaterally but the lender must also notify SBA so SBA may update its accounting records:

- Loan cancellations.
- Decrease in loan amount.
- Changes of maturity.
- Changes of business name and address.
- Extensions of disbursement periods.
- Notice of prepayment.

Other helpful links:

http://www.sba.gov/idc/groups/public/documents/sba_homepage/sba_010150.xlt
Balance Sheet (calculates for you)

http://www.sba.gov/idc/groups/public/documents/sba_homepage/form_finasst_incomestmt.xlt
Income Statement (calculates for you)

http://www.sba.gov/idc/groups/public/documents/sba_homepage/form_finasst_cshflstmt.xlt
Cash Flow Statement (calculates for you)

www.business.gov

The Official Business Link to the U.S. Government (helpful to all start-up borrowers)

For Further Help or Support – The Call Center & Status Line

The Standard 7a Loan Guaranty Processing Center - LGPC has a call center to answer your questions and concerns. They answer questions regarding policy and eligibility for the Standard 7(a) and Small Rural Lender Advantage programs.

You can submit your questions by e-mail to: 7aquestions@sba.gov or call (916) 735-1960. For questions regarding the status of your loan you can call (916) 735-1996. If e-mail is not an option, you may also fax questions to (916) 735-1554.

New applications or additional information can be sent to:

6501 Sylvan Road, Ste 122
Citrus Heights, CA 95610
Phone: (916) 735-1960
Fax: (916) 735-1554

262 Black Gold Blvd
Hazard, KY 41701
Phone: (606)436-0801
Fax: (606)435-2400

For questions regarding loans processed by the Sacramento Loan Processing Center – SLPC (PLP, SBA Express, Community Express and PCLP Loan Support) contact:

PLP, SBA Express, Community Express and PCLP Loan Support

For eligibility and processing issues:

Hien Nguyen, Senior Loan Officer
E-Mail: hien.nguyen@sba.gov
Work Phone Number: 916-735-1200
Hardy Slay, Loan Officer
E-Mail: hardy.slay@sba.gov
Work Phone Number: 916-735-1223

For loan application status:

Barbara Stefani, Loan Processor
E-Mail: barbara.stefani@sba.gov
Work Phone Number: 916-735-1224
To fax PLP and Express application to the Center:
Fax Number: 916-735-0640

PLP and SBA Express Status for Lenders

For questions about standards, procedures and requirements:

Sally Schimmel, Lead Loan Specialist
E-Mail: sally.schimmel@sba.gov
Work Phone Number: 916-735-1216

For SBA Express status questions:

Rose Kim, Senior Loan Specialist
E-Mail: rosio.kim@sba.gov
Work Phone Number: 916-735-1797

For PLP status and merger questions:

Sally Schimmel, Lead Loan Specialist
E-Mail: sally.schimmel@sba.gov
Work Phone Number: 916-735-1216

For CommunityExpress status questions:

Rose Kim, Senior Loan Specialist
E-Mail: rosio.kim@sba.gov
Work Phone Number: 916-735-1797

504 Loan Support

To E-Mail question about 504 policies and transactions:

To discuss 504 credit, eligibility, and process issues:

Terri Bellmore, 504 Finance Manager
E-Mail: teresa.bellmore@sba.gov
Work Phone Number: 916-735-1220
Richard Jones, Finance Chief
E-Mail: richard.jones@sba.gov
Work Phone Number: 916-735-1782

To discuss 504 servicing actions:

Mike Davis, Senior Loan Specialist
E-Mail: michael.davis@sba.gov
Work Phone Number: 916-735-1203
David Miller, Senior Loan Officer
E-Mail: david.miller@sba.gov
Work Phone Number: 916-735-1210

Center Issues

For Questions and issues dealing with the Center:

Rich Taylor, Center Director
E-Mail: richard.taylor@sba.gov
Work Phone Number: 916-735-1221

See SLPC website for 504 E-Mail option details:

sacramento504@sba.gov

sacramento504authorizations@sba.gov

sacramentoservicing@sba.gov

sacramento504shipping@sba.gov

Sample Forms

The following section contains a sample of the closing forms mentioned in this manual. You can find all current SBA Numbered Forms and instructions on the SBA website @ at www.sba.gov/banking (choose >Forms) or **Effective Date: March 1, 2009 213 Subpart B SOP 50 10 5(A) 2.**

SBA forms and instructions can be found at
<http://www.sba.gov/tools/Forms/SBApartnerforms/lenderforms> and
<http://www.sba.gov/tools/Forms/smallbusinessforms/fsforms>

Along with your original signed authorization, several SBA non-numbered forms will be sent to you, by the Processing Center, in your closing packet. A sample of these forms has been included in this section.

Remember that not **all** SBA Forms are required on every loan. Please refer to your authorization for the required forms and the current SOP for details on how to execute these documents for loan closing.

LENDER

The following describes where each loan-closing document (SBA Form) should be sent and/or maintained:

Guaranty Fee (*Please remember to reference the SBA loan number on the check*)

U.S. SMALL BUSINESS ADMINISTRATION

1. The website www.Pay.gov is the preferred way to pay your guaranty fee **or**
2. Small Business Administration / Denver Fiscal Office, Denver CO 80259 (regular mail delivery)

****Note: No street address is needed with this ZIP code**

327-Actions (Loan Modifications)

Attn: Dusty Rhoads

Standard 7a Loan Guaranty Processing Center (LGPC)

6501 Sylvan Road, Suite 122 Citrus Heights, CA 95610 **or**

Fax # (916) 735-1554 **or** E-mail to 7aLoanProgram@sba.gov

****Note: 7 days after the loan receives approval (a SBA Loan Number) loan servicing actions should be forwarded to the appropriate Servicing Center (Fresno or Little Rock).**

BORROWER receives the following documents

SBA LOAN AUTHORIZATION (Copy)

SBA FORM 722* – EEO POSTER (*in Miscellaneous Forms*)

LENDER retains the following documents

SBA LOAN AUTHORIZATION (Original)

LOAN AGREEMENT

BORROWERS CERTIFICATION

ENVIRONMENTAL QUESTIONNAIRE / TRANSACTIONAL SCREENING ANALYSIS (as necessary)

SBA FORM 1050 *- Settlement Sheet (*in Lender Forms*)

SBA FORM 147 *- Note (*in Lender Forms*)

SBA FORM 148* – Guaranty* (if necessary) (*in Lender Forms*)

SBA FORM 155* - Standby Agreement* (if necessary) (*in Lender Forms*)

SBA FORM 1624* - Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion* (*in Financial Assistance Forms*)

SBA FORM 1846* - Statement Regarding Lobbying (*in Financial Assistance Forms*)

SBA FORM 601* - Agreement of Compliance (as necessary) (*in Financial Assistance Forms*)

FORM 4506T* – Request for Copy or Transcript of Tax Form (*in IRS Forms*)

SBA FORM 159* – Compensation Agreement (*in Lender Forms*)

***SBA forms, information regarding Colson Services (1502 reporting) and additional information can be found on-line at our LGPC website @**

<http://www.sba.gov/aboutsba/sbaprograms/elending/lgpc>

***Please note forms cannot be saved, so print your document before you close the form.**

PLEASE DO NOT SEND ANY 7(a) LOAN CLOSING DOCUMENTS TO YOUR LOCAL SBA DISTRICT OFFICE OR TO THE LGPC.

Please note that all requests for loan increases will be forwarded to the Commercial Loan Servicing Centers

The rules and regulations concerning additional guaranty fees for loan increases has changed as of August 1, 2008 (SOP 50 10 (5) Page 155 Section f. "Additional Guaranty Fee for Loan Increases"). You must send in the new revised guaranty fee along with your request to the SBA Service Center (Fresno or Little Rock) on all loan increases. If you have already submitted the guaranty fee on the original loan amount, then you would send in the difference.



U.S. Small Business Administration

NOTE

SBA Loan #	
SBA Loan Name	
Date	
Loan Amount	
Interest Rate	
Borrower	
Operating Company	
Lender	

1. PROMISE TO PAY:

In return for the Loan, Borrower promises to pay to the order of Lender the amount of _____ Dollars,
interest on the unpaid principal balance, and all other amounts required by this Note.

2. DEFINITIONS:

“Collateral” means any property taken as security for payment of this Note or any guarantee of this Note.

“Guarantor” means each person or entity that signs a guarantee of payment of this Note.

“Loan” means the loan evidenced by this Note.

“Loan Documents” means the documents related to this loan signed by Borrower, any Guarantor, or anyone who pledges collateral.

“SBA” means the Small Business Administration, an Agency of the United States of America.

3. PAYMENT TERMS:

Borrower must make all payments at the place Lender designates. The payment terms for this Note are:

[Empty rectangular box for payment terms]

4. DEFAULT:

Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower or Operating Company:

- A. Fails to do anything required by this Note and other Loan Documents;
- B. Defaults on any other loan with Lender;
- C. Does not preserve, or account to Lender's satisfaction for, any of the Collateral or its proceeds;
- D. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- E. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- F. Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;
- G. Fails to pay any taxes when due;
- H. Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- I. Has a receiver or liquidator appointed for any part of their business or property;
- J. Makes an assignment for the benefit of creditors;
- K. Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- L. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent; or
- M. Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, Lender may:

- A. Require immediate payment of all amounts owing under this Note;
- B. Collect all amounts owing from any Borrower or Guarantor;
- C. File suit and obtain judgment;
- D. Take possession of any Collateral; or
- E. Sell, lease, or otherwise dispose of, any Collateral at public or private sale, with or without advertisement.

6. LENDER'S GENERAL POWERS:

Without notice and without Borrower's consent, Lender may:

- A. Bid on or buy the Collateral at its sale or the sale of another lienholder, at any price it chooses;
- B. Incur expenses to collect amounts due under this Note, enforce the terms of this Note or any other Loan Document, and preserve or dispose of the Collateral. Among other things, the expenses may include payments for property taxes, prior liens, insurance, appraisals, environmental remediation costs, and reasonable attorney's fees and costs. If Lender incurs such expenses, it may demand immediate repayment from Borrower or add the expenses to the principal balance;
- C. Release anyone obligated to pay this Note;
- D. Compromise, release, renew, extend or substitute any of the Collateral; and
- E. Take any action necessary to protect the Collateral or collect amounts owing on this Note.

7. WHEN FEDERAL LAW APPLIES:

When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

8. SUCCESSORS AND ASSIGNS:

Under this Note, Borrower and Operating Company include the successors of each, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. All individuals and entities signing this Note are jointly and severally liable.
- B. Borrower waives all suretyship defenses.
- C. Borrower must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.
- E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- F. If any part of this Note is unenforceable, all other parts remain in effect.
- G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor. Borrower also waives any defenses based upon any claim that Lender did not obtain any guarantee; did not obtain, perfect, or maintain a lien upon Collateral; impaired Collateral; or did not obtain the fair market value of Collateral at a sale.

10. STATE-SPECIFIC PROVISIONS:

[Empty rectangular box for state-specific provisions]

11. BORROWER'S NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated under this Note as Borrower.

A large, empty rectangular box with a thin black border, intended for the borrower's name and signature. The box is currently blank.

INSTRUCTIONS FOR USE OF SBA FORM 147, 7(a) NOTE

SBA is issuing a new version of its 7(a) Note. You must use it beginning November 15, 1998.

For an analysis of the changes to the 7 (a) Note, refer to the *Overview of 1998 Changes to SBA 7(a) Note, 504 Note, and Guarantees*.

- A. Mandatory Use. You must use the Note for all SBA 7(a) loans, including LowDoc loans - **except SBA Express**. You may not use any other note after November 14, 1998. You do not have to re-execute notes signed before November 15, 1998 using the old Form 147. You may use your own notes for *SBA Express*.
- B. No Alterations. You may not alter the text or make any additions except to insert information required to complete the form.
- C. Insertions. You must fill out the form where indicated, including payment terms and state-specific language that appears in the Authorization. You must complete the terms in accordance with the Authorization.
- D. Choice of Law. You must not insert choice-of-law provisions into the Note. If you include choice-of-law text in the loan agreement, the agreement must state that federal law applies when SBA holds the Note.
- E. Information Grid. Fill out all spaces in the information grid at the top of the front page of the Note. Most information for the grid will come from the Authorization. The information must be consistent in all documents--Authorization, Note and Guarantees.
 1. SBA Loan Number. Copy from the Authorization.
 2. SBA Loan Name. The term "SBA Loan Name" is new. This must be the same as in the Authorization.

The SBA Loan Name is the **first available** name from the following list:

- a. The "dba" name (trade name) of the Operating Company
- b. The actual (legal) name of the Operating Company
- c. The "dba" name (trade name) of the Borrower
- d. The actual (legal) name of the Borrower

If there is more than one Borrower or Operating Company, use the first Borrower or Operating Company listed in the Authorization and apply the above rules.

3. Date. This is the date the Note will be signed.
4. Loan Amount. Insert, in numbers only, the principal amount of the loan.
5. Interest Rate. Insert the interest rate (for fixed-rate Notes). For variable-rate Notes, insert language such as "Variable" or "Prime rate plus 2.0 %."
6. Borrower. Insert all Borrower names. **DO NOT INCLUDE DBAs here**. All Borrower names in the information grid must be the same as in the signature block.

7. Operating Company. If the borrower is an Eligible Passive Company (EPC), insert the legal name of the Operating Company here. **DO NOT INCLUDE DBAs**. If there is no Operating Company, insert N/A. If the Operating Company is a co-borrower, insert the name of the Operating Company in the Borrower block and the Operating Company block.
 8. Lender. Insert the name of the Lender.
- F. Amount. In paragraph 1, write in the amount of the Note in words, such as “One Hundred Ninety-Two Thousand and No/100.” This must be the same as the Loan Amount in the grid above.
 - G. Payment Terms. In paragraph 3, insert all the payment terms required by the Authorization.
 - H. Late Fees. If you want to charge a late fee, you may select the late fee option in the Authorization and insert the late fee provision in the Note in the payment terms.

SBA’s policy on late fees is as follows:

- Add late charges to the regularly scheduled payment amount due on the Note.
 - Do not add late charges to the principal.
 - Failure to pay late charges is not a default. You cannot accelerate the amount due under the Note solely because a Borrower does not pay a late charge.
 - SBA will not pay late charges and is not responsible for collecting them.
 - If SBA purchases the guaranteed portion of a loan and you continue servicing, you may only collect late charges after SBA has been paid in full.
 - You may not assess any additional late charges after SBA purchases the loan.
 - The late charge is the property of the Lender and may not be shared with the investor if the loan is sold on the secondary market.
- I. Signatures. You must create the signature block at the end of the Note. The signature block must include the legal name of the individual or entity signing the Note and, where applicable, the name and title of the authorized representative who will execute the document on its behalf. For instructions on how to complete an enforceable signature block that complies with applicable state law, consult with your attorney.



U.S. Small Business Administration
UNCONDITIONAL GUARANTEE

SBA Loan #	
SBA Loan Name	
Guarantor	
Borrower	
Lender	
Date	
Note Amount	

1. GUARANTEE:

Guarantor unconditionally guarantees payment to Lender of all amounts owing under the Note. This Guarantee remains in effect until the Note is paid in full. Guarantor must pay all amounts due under the Note when Lender makes written demand upon Guarantor. Lender is not required to seek payment from any other source before demanding payment from Guarantor.

2. NOTE:

The "Note" is the promissory note dated _____ in the principal amount of _____ Dollars, from Borrower to Lender. It includes any assumption, renewal, substitution, or replacement of the Note, and multiple notes under a line of credit.

3. DEFINITIONS:

"Collateral" means any property taken as security for payment of the Note or any guarantee of the Note.

"Loan" means the loan evidenced by the Note.

"Loan Documents" means the documents related to the Loan signed by Borrower, Guarantor or any other guarantor, or anyone who pledges Collateral.

"SBA" means the Small Business Administration, an Agency of the United States of America.

4. LENDER'S GENERAL POWERS:

Lender may take any of the following actions at any time, without notice, without Guarantor's consent, and without making demand upon Guarantor:

- A. Modify the terms of the Note or any other Loan Document except to increase the amounts due under the Note;
- B. Refrain from taking any action on the Note, the Collateral, or any guarantee;
- C. Release any Borrower or any guarantor of the Note;
- D. Compromise or settle with the Borrower or any guarantor of the Note;
- E. Substitute or release any of the Collateral, whether or not Lender receives anything in return;
- F. Foreclose upon or otherwise obtain, and dispose of, any Collateral at public or private sale, with or without advertisement;
- G. Bid or buy at any sale of Collateral by Lender or any other lienholder, at any price Lender chooses; and
- H. Exercise any rights it has, including those in the Note and other Loan Documents.

These actions will not release or reduce the obligations of Guarantor or create any rights or claims against Lender.

5. FEDERAL LAW:

When SBA is the holder, the Note and this Guarantee will be construed and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Guarantee, Guarantor may not claim or assert any local or state law against SBA to deny any obligation, defeat any claim of SBA, or preempt federal law.

6. RIGHTS, NOTICES, AND DEFENSES THAT GUARANTOR WAIVES:

To the extent permitted by law,

- A. Guarantor waives all rights to:
 - 1) Require presentment, protest, or demand upon Borrower;
 - 2) Redeem any Collateral before or after Lender disposes of it;
 - 3) Have any disposition of Collateral advertised; and
 - 4) Require a valuation of Collateral before or after Lender disposes of it.
- B. Guarantor waives any notice of:
 - 1) Any default under the Note;
 - 2) Presentment, dishonor, protest, or demand;
 - 3) Execution of the Note;
 - 4) Any action or inaction on the Note or Collateral, such as disbursements, payment, nonpayment, acceleration, intent to accelerate, assignment, collection activity, and incurring enforcement expenses;
 - 5) Any change in the financial condition or business operations of Borrower or any guarantor;
 - 6) Any changes in the terms of the Note or other Loan Documents, except increases in the amounts due under the Note; and
 - 7) The time or place of any sale or other disposition of Collateral.
- C. Guarantor waives defenses based upon any claim that:
 - 1) Lender failed to obtain any guarantee;
 - 2) Lender failed to obtain, perfect, or maintain a security interest in any property offered or taken as Collateral;
 - 3) Lender or others improperly valued or inspected the Collateral;
 - 4) The Collateral changed in value, or was neglected, lost, destroyed, or underinsured;

- 5) Lender impaired the Collateral;
- 6) Lender did not dispose of any of the Collateral;
- 7) Lender did not conduct a commercially reasonable sale;
- 8) Lender did not obtain the fair market value of the Collateral;
- 9) Lender did not make or perfect a claim upon the death or disability of Borrower or any guarantor of the Note;
- 10) The financial condition of Borrower or any guarantor was overstated or has adversely changed;
- 11) Lender made errors or omissions in Loan Documents or administration of the Loan;
- 12) Lender did not seek payment from the Borrower, any other guarantors, or any Collateral before demanding payment from Guarantor:
- 13) Lender impaired Guarantor's suretyship rights;
- 14) Lender modified the Note terms, other than to increase amounts due under the Note. If Lender modifies the Note to increase the amounts due under the Note without Guarantor's consent, Guarantor will not be liable for the increased amounts and related interest and expenses, but remains liable for all other amounts;
- 15) Borrower has avoided liability on the Note; or
- 16) Lender has taken an action allowed under the Note, this Guarantee, or other Loan Documents.

7. DUTIES AS TO COLLATERAL:

Guarantor will preserve the Collateral pledged by Guarantor to secure this Guarantee. Lender has no duty to preserve or dispose of any Collateral.

8. SUCCESSORS AND ASSIGNS:

Under this Guarantee, Guarantor includes heirs and successors, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. ENFORCEMENT EXPENSES. Guarantor promises to pay all expenses Lender incurs to enforce this Guarantee, including, but not limited to, attorney's fees and costs.
- B. SBA NOT A CO-GUARANTOR. Guarantor's liability will continue even if SBA pays Lender. SBA is not a co-guarantor with Guarantor. Guarantor has no right of contribution from SBA.
- C. SUBROGATION RIGHTS. Guarantor has no subrogation rights as to the Note or the Collateral until the Note is paid in full.
- D. JOINT AND SEVERAL LIABILITY. All individuals and entities signing as Guarantor are jointly and severally liable.
- E. DOCUMENT SIGNING. Guarantor must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- F. FINANCIAL STATEMENTS. Guarantor must give Lender financial statements as Lender requires.
- G. LENDER'S RIGHTS CUMULATIVE, NOT WAIVED. Lender may exercise any of its rights separately or together, as many times as it chooses. Lender may delay or forgo enforcing any of its rights without losing or impairing any of them.
- H. ORAL STATEMENTS NOT BINDING. Guarantor may not use an oral statement to contradict or alter the written terms of the Note or this Guarantee, or to raise a defense to this Guarantee.
- I. SEVERABILITY. If any part of this Guarantee is found to be unenforceable, all other parts will remain in effect.
- J. CONSIDERATION. The consideration for this Guarantee is the Loan or any accommodation by Lender as to the Loan.

10. STATE-SPECIFIC PROVISIONS:

[Empty box for state-specific provisions]

11. GUARANTOR ACKNOWLEDGMENT OF TERMS.

Guarantor acknowledges that Guarantor has read and understands the significance of all terms of the Note and this Guarantee, including all waivers.

12. GUARANTOR NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated as Guarantor under this Guarantee.



UNCONDITIONAL LIMITED GUARANTEE

SBA Loan #	
SBA Loan Name	
Guarantor	
Borrower	
Lender	
Date	
Note Amount	

1. GUARANTEE:

Guarantor unconditionally guarantees payment to Lender of all amounts owing under the Note, as limited below. Guarantor must pay all amounts owing under this Guarantee when Lender makes written demand upon Guarantor. Lender is not required to seek payment from any other source before demanding payment from Guarantor.

2. NOTE:

The "Note" is the promissory note dated _____ in the principal amount of _____ Dollars, from Borrower to Lender. It includes any assumption, renewal, substitution, or replacement of the Note, and multiple notes under a line of credit.

3. DEFINITIONS:

"Collateral" means any property taken as security for payment of the Note or any guarantee of the Note.

"Loan" means the loan evidenced by the Note.

"Loan Documents" means the documents related to the Loan signed by Borrower, Guarantor or any other guarantor, or anyone who pledges Collateral.

"SBA" means the Small Business Administration, an Agency of the United States of America.

4. PAYMENT LIMITATION: *(Check only one box)*

- BALANCE REDUCTION: The guarantee is of all amounts owing under the Note, and will continue until the total of all amounts owing under the Note is reduced below \$ _____, at which time Guarantor will be released from liability if the Note is not in default.
- PRINCIPAL REDUCTION: The guarantee is of all amounts owing under the Note, and will continue until the outstanding principal balance of the Note is reduced below \$ _____, at which time Guarantor will be released from liability if the Note is not in default.
- MAXIMUM LIABILITY: The guarantee is limited to Guarantor's payment of \$ _____.
- PERCENTAGE: The guarantee is limited to Guarantor's payment of _____ % of all amounts owing under the Note at the time demand is first made on Guarantor, plus the same percentage of any accrued interest and other costs charged to the Note after demand, until Guarantor fully performs this Guarantee.
- TIME: The guarantee is of all amounts owing under the Note. The guarantee will continue until _____ years after the date of the Note (the "Guarantee Period"). If Borrower is in default at the end of the Guarantee Period, the guarantee will continue until all defaults are cured.
- COLLATERAL/RECOURSE: The guarantee is limited to the amount Lender obtains from the following Collateral pledged by Guarantor:

- COMMUNITY PROPERTY OR SPOUSAL INTEREST: The guarantee is limited to Guarantor's community property or spousal interest in collateral pledged to secure the Note or any guarantee.

5. LENDER'S GENERAL POWERS:

Lender may take any of the following actions at any time, without notice, without Guarantor's consent, and without making demand upon Guarantor:

- A. Modify the terms of the Note or any other Loan Document except to increase the amounts due under the Note;
- B. Refrain from taking any action on the Note, the Collateral, or any guarantee;
- C. Release any Borrower or any guarantor of the Note;
- D. Compromise or settle with the Borrower or any guarantor of the Note;
- E. Substitute or release any of the Collateral, whether or not Lender receives anything in return;
- F. Foreclose upon or otherwise obtain, and dispose of, any Collateral at public or private sale, with or without advertisement;
- G. Bid or buy at any sale of Collateral by Lender or any other lienholder, at any price Lender chooses; and
- H. Exercise any rights it has, including those in the Note and other Loan Documents.

These actions will not release or reduce the obligations of Guarantor or create any rights or claims against Lender.

6. FEDERAL LAW:

When SBA is the holder, the Note and this Guarantee will be construed and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Guarantee, Guarantor may not claim or assert any local or state law against SBA to deny any obligation, defeat any claim of SBA, or preempt federal law.

7. RIGHTS, NOTICES, AND DEFENSES THAT GUARANTOR WAIVES:

To the extent permitted by law,

- A. Guarantor waives all rights to:
 - 1) Require presentment, protest, or demand upon Borrower;
 - 2) Redeem any Collateral before or after Lender disposes of it;
 - 3) Have any disposition of Collateral advertised; and
 - 4) Require a valuation of Collateral before or after Lender disposes of it.
- B. Guarantor waives any notice of:
 - 1) Any default under the Note;
 - 2) Presentment, dishonor, protest, or demand;
 - 3) Execution of the Note;
 - 4) Any action or inaction on the Note or Collateral, such as disbursements, payment, nonpayment, acceleration, intent to accelerate, assignment, collection activity, and incurring enforcement expenses;
 - 5) Any change in the financial condition or business operations of Borrower or any guarantor;
 - 6) Any changes in the terms of the Note or other Loan Documents, except increases in the amounts due under the Note; and
 - 7) The time or place of any sale or other disposition of Collateral.
- C. Guarantor waives defenses based upon any claim that:
 - 1) Lender failed to obtain any guarantee;
 - 2) Lender failed to obtain, perfect, or maintain a security interest in any property offered or taken as Collateral;
 - 3) Lender or others improperly valued or inspected the Collateral;
 - 4) The Collateral changed in value, or was neglected, lost, destroyed, or underinsured;

- 5) Lender impaired the Collateral;
- 6) Lender did not dispose of any of the Collateral;
- 7) Lender did not conduct a commercially reasonable sale;
- 8) Lender did not obtain the fair market value of the Collateral;
- 9) Lender did not make or perfect a claim upon the death or disability of Borrower or any guarantor of the Note;
- 10) The financial condition of Borrower or any guarantor was overstated or has adversely changed;
- 11) Lender made errors or omissions in Loan Documents or administration of the Loan;
- 12) Lender did not seek payment from the Borrower, any other guarantors, or any Collateral before demanding payment from Guarantor:
- 13) Lender impaired Guarantor's suretyship rights;
- 14) Lender modified the Note terms, other than to increase amounts due under the Note. If Lender modifies the Note to increase the amounts due under the Note without Guarantor's consent, Guarantor will not be liable for the increased amounts and related interest and expenses, but remains liable for all other amounts;
- 15) Borrower has avoided liability on the Note; or
- 16) Lender has taken an action allowed under the Note, this Guarantee, or other Loan Documents.

8. DUTIES AS TO COLLATERAL:

Guarantor will preserve the Collateral pledged by Guarantor to secure this Guarantee. Lender has no duty to preserve or dispose of any Collateral.

9. SUCCESSORS AND ASSIGNS:

Under this Guarantee, Guarantor includes successors, and Lender includes successors and assigns.

10. GENERAL PROVISIONS:

- A. ENFORCEMENT EXPENSES. Guarantor promises to pay all expenses Lender incurs to enforce this Guarantee, including, but not limited to, attorney's fees and costs.
- B. SBA NOT A CO-GUARANTOR. Guarantor's liability will continue even if SBA pays Lender. SBA is not a co-guarantor with Guarantor. Guarantor has no right of contribution from SBA.
- C. SUBROGATION RIGHTS. Guarantor has no subrogation rights as to the Note or the Collateral until the Note is paid in full.
- D. JOINT AND SEVERAL LIABILITY. All individuals and entities signing as Guarantor are jointly and severally liable.
- E. DOCUMENT SIGNING. Guarantor must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- F. FINANCIAL STATEMENTS. Guarantor must give Lender financial statements as Lender requires.
- G. LENDER'S RIGHTS CUMULATIVE, NOT WAIVED. Lender may exercise any of its rights separately or together, as many times as it chooses. Lender may delay or forgo enforcing any of its rights without losing or impairing any of them.
- H. ORAL STATEMENTS NOT BINDING. Guarantor may not use an oral statement to contradict or alter the written terms of the Note or this Guarantee, or to raise a defense to this Guarantee.
- I. SEVERABILITY. If any part of this Guarantee is found to be unenforceable, all other parts will remain in effect.
- J. CONSIDERATION. The consideration for this Guarantee is the Loan or any accommodation by Lender as to the Loan.

11. STATE-SPECIFIC PROVISIONS:

[Empty rectangular box for state-specific provisions]

12. GUARANTOR ACKNOWLEDGMENT OF TERMS.

Guarantor acknowledges that Guarantor has read and understands the significance of all terms of the Note and this Guarantee, including all waivers.

13. GUARANTOR NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated as Guarantor under this Guarantee.

INSTRUCTIONS FOR USE OF SBA FORM 148, UNCONDITIONAL GUARANTEE, AND SBA FORM 148L, UNCONDITIONAL LIMITED GUARANTEE

SBA is issuing a new version of the Unconditional Guarantee (Form 148) and introducing a new form, the Unconditional Limited Guarantee (Form 148L) (the “Guarantees”). Their use will be mandatory beginning November 15, 1998.

For a description of the changes to the Guarantees, refer to the *Overview of 1998 Changes to SBA 7(a) Note, 504 Note, and Guarantees*.

APPLICABLE TO BOTH GUARANTEES

- A. **Mandatory Use.** You must use the Guarantees for all SBA 504 and 7(a) loans, including LowDoc loans - **except SBA Express** – effective November 15, 1998. You may not use any other guarantee after November 14, 1998. You do not have to re-execute Guarantees signed before November 15, 1998 on the old Form 148. You may use your own guarantee for SBA Express.
- B. **No Alterations.** You may not alter the text or make any additions except to insert information required to complete the form.
- C. **Insertions.** You must fill out the forms where indicated, including state-specific language required by the 7(a) or 504 Authorizations. You must complete the terms in accordance with the Authorization.
- D. **Choice of Law.** You must not insert choice-of-law provisions into the Guarantees. If you include a choice-of-law provision in your loan agreement, the agreement must state that federal law applies when SBA holds the Note.
- E. **Information Grid.** Fill out all applicable spaces in the information grid at the top of the front page of the Guarantee. Most information for the grid will come from the Authorization. The information must be consistent in all documents--Authorization, Notes, and Guarantees.
 1. **SBA Loan Number.** Copy from the Authorization.
 2. **SBA Loan Name.** The term “SBA Loan Name” is new. This must be the same as in the Authorization.

The SBA Loan Name is the **first available** name from the following list:

 - a. The “dba” name (trade name) of the Operating Company
 - b. The actual (legal) name of the Operating Company
 - c. The “dba” name (trade name) of the Borrower
 - d. The actual (legal) name of the Borrower

If there is more than one Borrower or Operating Company, use the first Borrower or Operating Company listed in the Authorization and apply the above rules.
 3. **Guarantor.** Insert the legal names of individuals or entities who will be Guarantors on this guarantee. **DO NOT INCLUDE DBAs here.** All Guarantor names in the information grid must be the same as in the signature block.

4. Borrower. Insert the names of all Borrowers. DO NOT INCLUDE DBAs here. All Borrower names in the information grid must be the same as in the information grid in the Note.
 5. Lender. For 7(a) loans, insert the name of the Lender. For 504 loans, insert the name of the CDC.
 6. Date. Insert the date the Guarantee is signed.
 7. Note Amount. Insert, in numbers only, the principal amount of the loan.
- F. Note. In Paragraph 2, fill in the Note amount, in words, and the date of the Note. The Note amount here must be the same as the Note Amount in the Grid.
- G. State-Specific Provisions. Add to the Guarantees any state-specific provisions required in the Authorization. If there are no state-specific provisions, put “NONE.”
- H. Collateral Securing the Guarantee. Except as part of the collateral/ recourse limitation in the Unconditional Limited Guarantee, collateral securing the Guarantee is no longer listed on the Guarantee. If the Guarantee is secured by collateral, then the mortgage, deed of trust, or security agreement must refer to the Guarantee as the obligation secured. This will connect the Guarantee and the pledge instrument for purposes of enforcement, and ensure that all of the required waivers and federal law provisions will apply.
- I. Joint and Several Liability. All guarantors signing a single Guarantee form are jointly and severally liable.
- J. Signatures. You must create the signature block at the end of the Guarantee. The signature block must include the legal name of the individual or entity signing the Guarantee and, where applicable, the name and title of the authorized representative who will execute the document on its behalf. For instructions on how to complete an enforceable signature block that complies with applicable state law, consult with your attorney.

THE UNCONDITIONAL GUARANTEE, FORM 148.

Use this document when the Authorization requires a Full Unsecured Guarantee or a Full Secured Guarantee.

THE UNCONDITIONAL LIMITED GUARANTEE, FORM 148L.

- A. Use. Use this document when the Authorization requires a Limited Unsecured Guarantee or a Limited Secured Guarantee.
- B. Use a Single Limitation for Each Guarantee. Select only one option in a single Guarantee. Only one limitation may apply to each Guarantor.
- C. Terms. The text in the Unconditional Limited Guarantee is essentially the same as in the Unconditional Guarantee except for the addition of Paragraph 4, Payment Limitation. The instructions for payment limitation options are in paragraph D.3 below.

D. Limitation Options.

1. Balance Reduction. If you select this option, the guarantee is for the full amount of the Note and any interest, charges, or other expenses that may be added to the Note. The guarantee is in force until the entire obligation has been reduced to the stated amount. At that time, the Guarantor will be released from liability, unless the Note is in default. If the total amount of the loan is reduced to the stated amount and the Note is not in default, the Guarantor will be released completely from further liability, even if the amount of the entire obligation later increases over the stated amount. If the Note is in default, reduction below the stated amount will not release the Guarantor.
2. Principal Reduction. This option is similar to the previous option except the outstanding principal balance governs the limitation. The guarantee is in force until the principal balance has been reduced to the stated amount. At that time, the Guarantor will be released from liability if the Note is not in default. If the principal balance is reduced and the Note is not in default, the Guarantor will be released completely from further liability, even if the principal balance subsequently increases over the stated amount. If the Note is in default, reduction below the stated amount will not release the Guarantor.

Use Extra Care: Consider carefully before using options 1 or 2. The Guarantor could be released from liability even if the loan is not paid in full. For example, a Borrower or Guarantor could reduce the balance to the stated amount just before the loan becomes delinquent. The Guarantor would be released from liability. The loan balance could then increase substantially due to payment of prior liens or other costs. Use options 1 and 2 when it is reasonable to conclude that payment of senior liens or other substantial costs are not likely to increase the loan balance after release of the Guarantor. Consider using options 3, 4, or 5 as alternatives.

3. Maximum Liability. This option limits the Guarantor's liability to the stated amount or all amounts owing on the Note, whichever is less. Except for payments that reduce the loan balance below the stated amount, only payments by the Guarantor are credited against Guarantor's liability. If more than one individual or entity signs on a single Unconditional Limited Guarantee form with this limitation, the stated amount is the maximum amount that may be collected from any or all of the Guarantors who sign the single form.
4. Percentage. Under this option, Guarantor must pay the stated percentage of all amounts owing on the Note when demand is made on the Guarantor. The Guarantor is liable for the stated percentage of interest, expenses, charges and other costs added to the balanced owed even after demand has been made. If more than one individual or entity signs on a single Unconditional Limited Guarantee form with this limitation, the stated percentage is the maximum percentage that may be collected from any or all of the Guarantors who sign the single form.
5. Time. Under this option, the guarantee is for all obligations due under the Note during the stated time period. Prior to the expiration of the "Guarantee Period," evaluate the loan carefully to determine if demand on the Guarantor is appropriate. If the loan is in default at the end of the "Guarantee Period," the Guarantor's obligation continues until the default is cured. Therefore, you must consider the effect upon the guarantee in determining whether to allow a default to be cured, grant a deferment, or accept a bankruptcy plan. You may condition cure of a default on Guarantor's consent to extend the "Guarantee Period" or Guarantor executing an Unconditional Guarantee.

6. Collateral/Recourse. The Unconditional Limited Guarantee, with the Collateral/Recourse option selected, should be used for every person who pledges collateral but will not be personally liable. This will ensure that the waivers, consent, and notice provisions of the Guarantee are applicable to such persons. In the box, insert the collateral pledged by the Guarantor. It is still necessary to perfect the security interest in such collateral in accordance with state law.
7. Community Property or Spousal Interest Limitation. This option is for the situation when a spouse could assert that a community property or spousal interest in property pledged to secure the loan is not subject to enforced collection. With this limitation, a spouse is not obligated personally for the debt, but cannot make an adverse claim against property securing the debt by claiming a community property or spousal interest in such property.



STANDBY CREDITOR'S AGREEMENT

SBA Loan #	
SBA Loan Name	
Standby Creditor	
Standby Borrower	
Lender	

_____ (Standby Borrower)
 owes \$_____ principal and \$_____ interest to
 _____ (Standby Creditor)
 as of the date of this Agreement (Standby Loan) (Copy of Standby Note attached). To induce
 _____ (Lender) to make an
 SBA guaranteed loan to Standby Borrower or guaranteed by Standby Borrower, Loan Number _____
 in the amount of \$_____ (Lender's Loan).

Standby Creditor agrees: *(Check only one box)*

- To accept no further payments on the Standby Loan until Lender's Loan is satisfied
 To accept interest only payments at a rate of _____% per annum (no principal payments) on Standby Loan until Lender's Loan is satisfied or until notified by Lender to stop accepting payments,
 To accept payments of principal and interest at the rate of _____% per annum on the Standby Loan unless notified by Lender to stop accepting payments.
 To accept payments of principal and interest at the rate of _____% per annum beginning on _____.
- To turn over to Lender payments received by Standby Creditor from Standby Borrower in violation of this Agreement within 15 days of receipt.

3. To take no action to enforce claims against Standby Borrower on the Standby Loan until Lender's Loan is satisfied.
4. To take no action against Standby Borrower's collateral, without written consent from the Lender, until Lender's Loan is satisfied.
5. To sign appropriate documentation required by Lender to subordinate to Lender's Loan secured interests in collateral that secures the Standby Loan.
6. Lender, in its sole discretion, may take any action without affecting this Agreement, including but not limited to the following:
 - a. Modify the terms of Lender's Loan.
 - b. Grant an extension or renewal of Lender's Loan.
 - c. Defer payments or enter into a workout agreement on Lender's Loan.
 - d. Release or substitute collateral securing Lender's Loan.
 - e. Forbear from collecting on existing collateral or requiring additional collateral.
 - f. Declare a default on Lender's Loan and notify Standby Creditor to stop accepting payments.
 - g. Agree to release, compromise, or settlement of Lender's Loan.
7. This Agreement applies to any successor to the Standby Creditor or assignee of this Agreement or of Standby Creditor's Loan, including any bankruptcy trustee or receiver or guarantors or sureties of Standby Creditor Loan.
8. Additional Loans made by Standby Creditor will be subject to the terms of this Agreement, unless Lender agrees otherwise in writing.

Dated: _____

Standby Creditor: _____

By: (signature) _____

(name) _____



FEE DISCLOSURE FORM AND COMPENSATION AGREEMENT **For Agent Services In Connection With an SBA 7(a) Loan**

Purpose of this form: Section 13 of the Small Business Act (15 USC §642) requires that a small business SBA loan applicant (“Applicant”) identify the names of persons engaged by or on behalf of the applicant for the purpose of expediting the application and the fees paid or to be paid to any such person. 13 C.F.R., Part 103.5 requires any agent or packager to execute and provide to SBA a compensation agreement (“Agreement”). Each Agreement governs the compensation charged for services rendered or to be rendered to the SBA loan applicant (“Applicant”) or lender in any matter involving SBA assistance. “Agent” includes a lender, loan packager, referral agent, accountant, attorney, consultant or any other party that receives compensation from representing an applicant for an SBA loan. (13 C.F.R. Part 103 and sections 120.221, and 120.222 contain the rules governing compensation of Agents in connection with a 7(a) loan. These rules may be found at www.sba.gov/library.)

A 7(a) participating lender (“Lender”) may charge an Applicant reasonable fees for packaging services that are customary for similar lenders in the geographic area where the loan is being made. The Lender must advise the Applicant in writing that the Applicant is not required to obtain or pay for these services if they are unwanted. The Lender cannot charge an Applicant any commitment, bonus, broker, commission, referral or similar fee.

If an Applicant chooses to employ an Agent (which may be the Lender or a third party) to represent the Applicant, compensation an Agent charges to and that is paid by the Applicant must bear a necessary and reasonable relationship to the services actually performed. Compensation cannot be contingent on loan approval. In addition, compensation must not include any expenses which are deemed by SBA to be unnecessary in connection with the loan application or are prohibited by SBA rules. If the compensation is not permitted by SBA rules, the Agent must cancel the compensation, or refund to the applicant any portion the Applicant already paid. In cases where SBA deems the amount of compensation unreasonable, the Agent must reduce the compensation charged to an amount SBA deems reasonable, refund to the Applicant any sum in excess of the amount SBA deems reasonable, and refrain from charging or collecting directly or indirectly from the Applicant an amount in excess of the amount SBA deems reasonable. Violation by an Agent of any of these rules may result in SBA’s suspension or revocation of the Agent’s privilege of conducting business with SBA.

The following are not considered Agents for purposes of this Agreement and, therefore, are not required to complete this Agreement: 1) Applicant’s accountant for the preparation of financial statements required by the Applicant in the normal course of business and not related to the loan application; 2) a state-certified or state-licensed appraiser employed by the Lender to appraise collateral in connection with the SBA loan; 3) an environmental professional employed by the lender to conduct an environmental assessment of the collateral in connection with the SBA loan; and 4) any attorney in connection with the 7(a) loan closing. In addition, direct costs associated with document preparation in connection with the loan closing do not need to be reported in this Agreement.

Instructions on completion of this form: This form must be completed in connection with a loan application if 1) the Applicant has paid (or will be paying) compensation to an Agent or 2) if the Lender has (or will be paying) a referral fee. There must be a completed Agreement for each Agent compensated by the Applicant. If the certifications are made by a legal entity other than an individual (e.g., corporation, limited liability company), execution of the certification must be in the legal entity’s name by a duly authorized officer or other representative of the entity; if by a partnership, execution of the certification must be in the partnership’s name by a general partner. If the total compensation exceeds \$2,500, the compensation must be itemized.

PLEASE NOTE: The estimated burden for completion of this Form 159 is 5 minutes per response. You are not required to respond to this information collection unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, Administrative Information Branch, Washington, D.C. 20416, and Desk Officer for SBA, Office of Management and Budget, New Exec. Office Building, Room 10202, Washington, D. C. 20503. PLEASE DO NOT SEND FORMS TO OMB.

Loan applicant name:
Loan applicant business name (if any):

Agent's Agreement: By signing this Agreement, the undersigned Agent agrees that it has not nor will not directly or indirectly charge or receive any payment in connection with the application for or making of the SBA loan except for services actually performed on behalf of Applicant and identified in this Agreement. The undersigned Agent certifies that the information provided in this Agreement accurately describes the type of services it has provided to the Applicant and that the compensation described in this Agreement is the only compensation that has been charged to or received from the Applicant or that will be charged to the Applicant as an Agent for services covered by this Agreement. False certifications can result in criminal prosecution under 18 U.S.C. § 1001 and other penalties provided under law.

Type of agent:			
<input type="checkbox"/> Independent loan packager	<input type="checkbox"/> Lender compensated by applicant for loan packaging services	<input type="checkbox"/> Referral agent employed by applicant	<input type="checkbox"/> Other (describe):
Type of services agent provided to applicant:			
<input type="checkbox"/> Loan packaging	<input type="checkbox"/> Financial statements specifically for the application	<input type="checkbox"/> Referral services paid by applicant	<input type="checkbox"/> Other (describe):

Total compensation charged to applicant: \$ _____

If the amount exceeds \$2,500: For the entire compensation charged, attach a separate schedule itemizing 1) the services performed; and 2) the hourly rate and the number of hours billed for that service.

Agent Name and Signature: By _____ (Date) _____
 _____ (Signature of agent)
 _____ (Name of agent – please print)
 _____ (Business name of agent – please print)
 _____ (Business address of agent including zip code)
 _____ (Business address cont.)

Applicant's Certification: The undersigned Applicant certifies to SBA that the above representations and amounts are the only amounts paid by the Applicant in connection with the services covered by the Agreement and are satisfactory to the Applicant. False certifications can result in criminal prosecution under 18 U.S.C. § 1001 and other penalties provided under law.

_____ (Applicant's Name)	By: _____ (Signature of authorized representative)	_____ (Date)
	_____ (Name of authorized representative – please print)	

Lender's Certification: The undersigned 7(a) participating lender certifies that the representations of services rendered and amounts charged as identified in this Agreement are reasonable and satisfactory to it. The undersigned further certifies that any referral fees described below are the only referral fees paid by the lender to a referral agent in connection with this loan, and were not charged directly or indirectly to the Applicant. False certifications can result in criminal prosecution under 18 U.S.C. § 1001 and other penalties provided under law.

_____	_____
(7(a) lender name)	(Name of referral agent – please print)
By: _____	_____
(Signature of authorized lender representative) (Date)	(Business name of agent – please print)
_____	_____
(Name of authorized lender representative – please print)	(Business address of agent including zip code)
Referral fee paid, if any: \$ _____	_____
	(Business address cont.)

U.S. Small Business Administration

RESOLUTION OF BOARD OF DIRECTORS OF

(1) RESOLVED, that the officers of _____ (hereinafter referred to as "Organization") named below, or any one of them, or their, or any one of their, duly elected or appointed successors in office, be and they are hereby authorized and empowered in the name and on behalf of this Organization to execute and deliver to the Small Business Administration, an agency of the Government of the United States of America (hereinafter called "SBA"), in the form required by SBA, the following documents:

(a) Application for a loan or loans, the total thereof not to exceed in principal amount \$ _____, maturing upon such date or dates and bearing interest at such rate or rates as may be prescribed by SBA; (b) Applications for any renewals or extensions of all or any part of such loan or loans and of any other loans, heretofore or hereafter made by SBA to this Organization; (c) the Note or Notes of this Organization evidencing such loan or loans or any renewals or extensions thereof; and (d) any other Instruments or Agreements of this Organization which may be required by SBA in connection with such loans, renewals, and/or extensions; and that said officers in their discretion may accept any such loan or loans in installments and give one or more Notes of this Organization therefore, and may receive and endorse in the name of this Organization any checks or drafts representing such loan or loans or any such installments; (e) sign Guarantee of loan or loans in the principal amount of \$ _____ to _____.

(2) FURTHER RESOLVED, that the aforesaid officers or any one of them, or their duly elected or appointed successors in office, be and they are hereby authorized and empowered to do any acts, including but not limited to the mortgage, pledge, or hypothecation from time to time with SBA of any or all assets of this Organization to secure such loan or loans, renewals and extensions, and to execute in the name and on behalf of this Organization or otherwise, any Instruments or Agreements deemed necessary or proper by SBA, in respect of the collateral securing any indebtedness of this Organization;

(3) FURTHER RESOLVED, that any indebtedness heretofore contracted and any Contracts or Agreements heretofore made with SBA on behalf of this Organization, and all acts of officers or agents of this Organization in connection with said indebtedness or said Contracts or Agreements, are hereby ratified and confirmed;

(4) FURTHER RESOLVED, that the officers referred to in the foregoing resolutions are as follows:

_____ (Type Name)	_____ (Title)	_____ (Signature)

(5) FURTHER RESOLVED, that SBA is authorized to rely upon the aforesaid resolutions until receipt of written notice of any change.

CERTIFICATION

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution regularly presented to and adopted by the Board of Directors of _____ at a meeting duly called and held at _____ on the _____ day of _____, 20____, at which a quorum was present and voted, and that such resolution is duly recorded in the minute book of this corporation; that the officers named in said resolution have been duly elected or appointed to, and are the present incumbents of, the respective offices set after their respective names; and that the signatures set opposite their respective names are their true and genuine signatures.

Secretary

PLEASE NOTE: The estimated burden for completion of this form is 5 minutes per response. You are not required to respond to this information collection unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, Administrative Information Branch, Washington, D.C. 20416, and Desk Officer for SBA, Office of Management and Budget, New Exec. Office Building, Room 10202, Washington, D. C. 20503. (3245-0201). PLEASE DO NOT SEND FORMS TO OMB.

SBA CONTROL/LOAN NO.

**U.S. SMALL BUSINESS ADMINISTRATION
CERTIFICATE AS TO PARTNERS**

We, the undersigned, are general partners doing business under the firm name and style of _____ and constitute all the partners thereof. Acts done in the name of or on behalf of the firm, by any one of us shall be binding on said firm and each and all of us. This statement is signed and the foregoing representations are made in order to induce the Small Business Administration (hereinafter called "SBA"):

1. To consider applications for a loan or loans to Borrower any one of us.
2. To make a loan or loans to Borrower against a promissory note or notes signed in the firm name by any one of us.
3. To accept as security for the payment of such note or notes, guarantee or guarantees, modifications, renewals, or extensions any collateral which may be offered by any one of us.
4. To consider applications signed by any one of us for any modifications, renewals, or extensions for all or any part of such loan or loans and any other loan or loans heretofore or hereafter made by SBA to Borrower.
5. To accept any other instruments or agreements of said firm which may be required by SBA in connection with such loan, guarantee, modifications, renewals, or extensions when signed by any one of us.

Any indebtedness heretofore contracted and any contracts, guarantees or agreements heretofore made with SBA on behalf of said firm and all acts of partners or agents of said firm in connection with said indebtedness or said contracts, guarantees or agreements are hereby ratified and confirmed.

Each of the undersigned is authorized to mortgage and/or pledge all or any part of the property, real, personal, or mixed, of said firm as security for any such loan.

This statement and representations made herein are in no way intended to exclude the general authority of each partner as to any acts not specifically mentioned or to limit the power of any one of us to bind said firm and each and every one of us individually.

SBA is authorized to rely upon the aforesaid statements until receipt of written notice of any change.

Signed this _____ day of _____, 20 _____

(Typewrite Name)	(Signature)

PLEASE NOTE: The estimated burden for completion of this form is 5 minutes per response. You are not required to respond to this information collection unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, Administrative Information Branch, Washington, D.C. 20416, and Desk Officer for SBA, Office of Management and Budget, New Exec. Office Building, Room 10202, Washington, D. C. 20503. (3245-0201). PLEASE DO NOT SEND FORMS TO OMB.

U.S. Small Business Administration

AGREEMENT OF COMPLIANCE

In compliance with Executive Order 11246, as amended (Executive Order 11246, as amended prohibits discrimination because of race, color, religion, sex, or national origin, and requires affirmative action to ensure equality of opportunity in all aspects of employment by all contractors and subcontractors, performing work under a Federally assisted construction contract in excess of \$10,000, regardless of the number of employees), the applicant/recipient, contractor or subcontractor agrees that in consideration of the approval and as a condition of the disbursement of all or any part of a loan by the Small Business Administration (SBA) that it will incorporate or cause to be incorporated into any contract or subcontract in excess of \$10,000 for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor, at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representative of the contractor's commitments under Executive Order 11246, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The contractor will comply with all provisions of Executive Order 11246, as amended, and the rules and relevant orders of the Secretary of Labor created thereby.
- (5) The contractor will furnish all information and reports required by Executive Order 11246, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by SBA (See SBA Form 793) and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders. (The information collection requirements contained in Executive Order 11246, as amended, are approved under OMB No. 1215-0072.)
- (6) In the event of the contractor's noncompliance with the nondiscrimination clause or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246, as amended, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Executive Order 11246, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as SBA may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however that in the event a contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by SBA, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

The Applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work.

The Applicant agrees that it will assist and cooperate actively with SBA and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations and relevant orders of the Secretary of Labor, that it will furnish SBA and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist SBA in the discharge of the Agency's primary responsibility for securing compliance. The Applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246, as amended, and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by SBA or the Secretary of Labor or such other sanctions and penalties for violation thereof as may, in the opinion of the Administrator, be necessary and appropriate.

In addition, the Applicant agrees that if it fails or refuses to comply with these undertakings SBA may take any or all of the following actions: cancel, terminate or suspend in whole or in part the loan; refrain from extending any further assistance to the applicant under the programs with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

In consideration of the approval by the Small Business Administration of a loan to _____ Applicant, said Applicant and _____ the general contractor, mutually promise and agree that the(y) will comply with all nondiscrimination provisions and requirements of Executive Order 11246, as amended.

Executed the _____ day of _____ 19____.

Name, Address, & Phone No. of Applicant

By _____
Typed Name & Title of Authorized Official

Corporate Seal

Signature of Authorized Official

Name, Address, & Phone No. of Subrecipient

By _____
Typed Name & Title of Authorized Official

Corporate Seal

Signature of Authorized Official



This Statement of Policy is Posted
In Accordance with Regulations of the

Small Business Administration

This Organization Practices

Equal Employment Opportunity

We do not discriminate on the ground of race, color, religion, sex, age, disability or national origin in the hiring, retention, or promotion of employees; nor in determining their rank, or the compensation or fringe benefits paid them.

This Organization Practices

Equal Treatment of Clients

We do not discriminate on the basis of race, color, religion, sex, marital status, disability, age or national origin in services or accommodations offered or provided to our employees, clients or guests.

**These policies and this notice comply with regulations
of the United States Government.**

Please report violations of this policy to :

**Administrator
Small Business Administration
Washington, D.C. 20416**

In order for the public and your employees to know their rights under 13 C.F.R Parts 112, 113, and 117, Small Business Administration Regulations, and to conform with the directions of the Administrator of SBA, this poster must be displayed where it is clearly visible to employees, applicants for employment, and the public.

Failure to display the poster as required in accordance with SBA Regulations may be considered evidence of noncompliance and subject you to the penalties contained in those Regulations.



**Esta Declaración De Principios Se Publica
De Acuerdo Con Los Reglamentos De La
Agencia Federal Para el Desarrollo de la Pequeña Empresa**

Esta Organización Practica

Igual Oportunidad De Empleo

No discriminamos por razón de raza, color, religión, sexo, edad, discapacidad o nacionalidad en el empleo, retención o ascenso de personal ni en la determinación de sus posiciones, salarios o beneficios marginales.

Esta Organización Practica

Igualdad En El Trato A Su Clientela

No discriminamos por razón de raza, color, religión, sexo, estado civil, edad, discapacidad o nacionalidad en los servicios o facilidades provistos para nuestros empleados, clientes o visitantes.

Estos principios y este aviso cumplen con los reglamentos del Gobierno de los Estados Unidos de América.

Favor de informar violaciones a lo aquí indicado a:

**Administrador
Agencia Federal Para el Desarrollo de la
Pequeña Empresa
Washington, D.C. 20416**

A fin de que el público y sus empleados conozcan sus derechos según lo expresado en las Secciones 112, 113 y 117 del Código de Regulaciones Federales No. 13, de los Reglamentos de la Agencia Federal Para el Desarrollo de la Pequeña Empresa y de acuerdo con las instrucciones del Administrador de dicha agencia, esta notificación debe fijarse en un lugar claramente visible para los empleados, solicitantes de empleo y público en general. No fijar esta notificación según lo requerido por los reglamentos de la Agencia Federal Para el Desarrollo de la Pequeña Empresa, puede ser interpretado como evidencia de falta de cumplimiento de los mismos y conllevará la ejecución de los castigos impuestos en estos reglamentos.

Request for Transcript of Tax Return

- ▶ **Do not sign this form unless all applicable lines have been completed. Read the instructions on page 2.**
- ▶ **Request may be rejected if the form is incomplete, illegible, or any required line was blank at the time of signature.**



OMB No. 1545-1872

Tip: Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can also call 1-800-829-1040 to order a transcript. If you need a copy of your return, use **Form 4506**, Request for Copy of Tax Return. There is a fee to get a copy of your return.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return or employer identification number (see instructions)
2a If a joint return, enter spouse's name shown on tax return	2b Second social security number if joint tax return
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code	
4 Previous address shown on the last return filed if different from line 3	
5 If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.	

Caution: DO NOT SIGN this form if a third party requires you to complete Form 4506-T, and lines 6 and 9 are blank.

6 Transcript requested. Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶ _____

- a Return Transcript**, which includes most of the line items of a tax return as filed with the IRS. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days
- b Account Transcript**, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days
- c Record of Account**, which is a combination of line item information and later adjustments to the account. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days
- 7 Verification of Nonfiling**, which is proof from the IRS that you **did not** file a return for the year. Most requests will be processed within 10 business days
- 8 Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript.** The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2006, filed in 2007, will not be available from the IRS until 2008. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days

Caution: If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

9 Year or period requested. Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

/ /
/ /
/ /
/ /

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, **either** husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer.

			Telephone number of taxpayer on line 1a or 2a ()
Sign Here	Signature (see instructions)	Date	
	Title (if line 1a above is a corporation, partnership, estate, or trust)		
	Spouse's signature	Date	



U.S. Small Business Administration
SECURITY AGREEMENT

SBA Loan #	
SBA Loan Name	
Debtor <i>(Exact full legal name of individual(s), corporation, LLC, partnership, or other organization)</i>	
Borrower	
Secured Party	
Date	
Note Amount	

1. DEFINITIONS.

Unless otherwise specified, all terms used in this Agreement will have the meanings ascribed to them under the Official Text of the Uniform Commercial Code, as it may be amended from time to time, ("UCC"). "SBA" means the Small Business Administration, an Agency of the U.S. Government.

2. GRANT OF SECURITY INTEREST.

For value received, the Debtor grants to the Secured Party a security interest in the property described below in paragraph 4 (the "Collateral").

3. OBLIGATIONS SECURED.

This Agreement secures the payment and performance of: (a) all obligations under a Note dated _____, made

by _____, made payable to _____, in the amount

of \$ _____ (“Note”), including all costs and expenses (including reasonable attorney’s fees), incurred by Secured Party in the disbursement, administration and collection of the loan evidenced by the Note; (b) all costs and expenses (including reasonable attorney’s fees), incurred by Secured Party in the protection, maintenance and enforcement of the security interest hereby granted; (c) all obligations of the Debtor in any other agreement relating to the Note; and (d) any modifications, renewals, refinancings, or extensions of the foregoing obligations.

The Note and all other obligations secured hereby are collectively called the “Obligations.”

4. COLLATERAL DESCRIPTION.

The Collateral in which this security interest is granted is all of the Debtor’s property described below, and indicated by an “X” or other mark on the applicable line, now owned or hereafter acquired, together with all replacements, accessions, proceeds, and products.

- | | |
|---|---|
| <input type="checkbox"/> a. Equipment | <input type="checkbox"/> f. Chattel paper |
| <input type="checkbox"/> b. Fixtures | <input type="checkbox"/> g. General intangibles |
| <input type="checkbox"/> c. Inventory | <input type="checkbox"/> h. Documents |
| <input type="checkbox"/> d. Accounts | <input type="checkbox"/> i. Farm products |
| <input type="checkbox"/> e. Instruments | <input type="checkbox"/> j. Deposit accounts |
| | <input type="checkbox"/> k. Investment property |

l. Titled motor vehicles, including mobile or manufactured homes (list make, model, and serial #):

m. Other: Insert specific description of other forms of Collateral not included in categories a through k above (for example, specific commercial tort claim, letter-of-credit rights):

5. RESTRICTIONS ON COLLATERAL TRANSFER.

Debtor will not sell, lease, license or otherwise transfer (including by granting security interests, liens, or other encumbrances in) all or any part of the Collateral or Debtor’s interest in the Collateral without Secured Party’s written or electronically communicated approval, except that Debtor may sell inventory in the ordinary course of business on customary terms.

Debtor may collect and use amounts due on accounts and other rights to payment arising or created in the ordinary course of business, until notified otherwise by Secured Party in writing or by electronic communication.

6. MAINTENANCE AND LOCATION OF COLLATERAL; INSPECTION; INSURANCE.

Debtor must promptly notify Secured Party by written or electronic communication of any change in location of the Collateral, specifying the new location. Debtor hereby grants to Secured Party the right to inspect the Collateral at all reasonable times and upon reasonable notice. Debtor must: (a) maintain the Collateral in good condition; (b) pay promptly all taxes, judgments, or charges of any kind levied or assessed thereon; (c) keep current all rent or mortgage payments due, if any, on premises where the Collateral is located; and (d) maintain hazard insurance on the Collateral, with an insurance company and in an amount approved by Secured Party (but in no event less than the replacement cost of that Collateral), and including such terms as Secured Party may require including a Lender's Loss Payable Clause in favor of Secured Party. Debtor hereby assigns to Secured Party any proceeds of such policies and all unearned premiums thereon and authorizes and empowers Secured Party to collect such sums and to execute and endorse in Debtor's name all proofs of loss, drafts, checks and any other documents necessary for Secured Party to obtain such payments.

7. CHANGES TO DEBTOR'S LEGAL STRUCTURE, PLACE OF BUSINESS, JURISDICTION OF ORGANIZATION, OR NAME.

Debtor must notify Secured Party by written or electronic communication not less than 30 days before taking any of the following actions: (a) changing or reorganizing the type of organization or form under which it does business; (b) moving, changing its place of business or adding a place of business; (c) changing its jurisdiction of organization; or (d) changing its name. Debtor will pay for the preparation and filing of all documents, Secured Party deems necessary to maintain, perfect and continue the perfection of Secured Party's security interest in the event of any such change.

8. PERFECTION OF SECURITY INTEREST.

Debtor consents, without further notice, to Secured Party's filing or recording of any documents necessary to perfect, continue, amend or terminate its security interest. Upon request of Secured Party, Debtor must sign or otherwise authenticate all documents that Secured Party deems necessary at any time to allow Secured Party to acquire, perfect, continue or amend its security interest in the Collateral. Debtor will pay the filing and recording costs of any documents relating to Secured Party's security interest. Debtor ratifies all previous filings and recordings, including financing statements and notations on certificates of title. Debtor will cooperate with Secured Party in obtaining a Control Agreement satisfactory to Secured Party with respect to any Deposit Accounts or Investment Property, or in otherwise obtaining control or possession of that or any other Collateral.

9. DEFAULT.

Debtor is in default under this Agreement if: (a) Debtor fails to pay, perform or otherwise comply with any provision of this Agreement; (b) Debtor makes any materially false representation, warranty or certification in, or in connection with, this Agreement, the Note, or any other agreement related to the Note or this Agreement; (c) another secured party or judgment creditor exercises its rights against the Collateral; or (d) an event defined as a "default" under the Obligations occurs. In the event of default and if Secured Party requests, Debtor must assemble and make available all Collateral at a place and time designated by Secured Party. Upon default and at any time thereafter, Secured Party may declare all Obligations secured hereby immediately due and payable, and, in its sole discretion, may proceed to enforce payment of same and exercise any of the rights and remedies available to a secured party by law including those available to it under Article 9 of the UCC that is in effect in the jurisdiction where Debtor or the Collateral is located. Unless otherwise required under applicable law, Secured Party has no obligation to clean or otherwise prepare the Collateral for sale or other disposition and Debtor waives any right it may have to require Secured Party to enforce the security interest or payment or performance of the Obligations against any other person.

10. FEDERAL RIGHTS.

When SBA is the holder of the Note, this Agreement will be construed and enforced under federal law, including SBA regulations. Secured Party or SBA may use state or local procedures for filing papers, recording documents, giving notice, enforcing security interests or liens, and for any other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax or liability. As to this Agreement, Debtor may not claim or assert any local or state law against SBA to deny any obligation, defeat any claim of SBA, or preempt federal law.

11. GOVERNING LAW.

Unless SBA is the holder of the Note, in which case federal law will govern, Debtor and Secured Party agree that this Agreement will be governed by the laws of the jurisdiction where the Debtor is located, including the UCC as in effect in such jurisdiction and without reference to its conflicts of laws principles.

12. Secured party rights.

All rights conferred in this Agreement on Secured Party are in addition to those granted to it by law, and all rights are cumulative and may be exercised simultaneously. Failure of Secured Party to enforce any rights or remedies will not constitute an estoppel or waiver of Secured Party's ability to exercise such rights or remedies. Unless otherwise required under applicable law, Secured Party is not liable for any loss or damage to Collateral in its possession or under its control, nor will such loss or damage reduce or discharge the Obligations that are due, even if Secured Party's actions or inactions caused or in any way contributed to such loss or damage.

13. SEVERABILITY.

If any provision of this Agreement is unenforceable, all other provisions remain in effect.

14. DEBTOR CERTIFICATIONS.

Debtor certifies that: (a) its Name (or Names) as stated above is correct; (b) all Collateral is owned or titled in the Debtor's name and not in the name of any other organization or individual; (c) Debtor has the legal authority to grant the security interest in the Collateral; (d) Debtor's ownership in or title to the Collateral is free of all adverse claims, liens, or security interests (unless expressly permitted by Secured Party); (e) none of the Obligations are or will be primarily for personal, family or household purposes; (f) none of the Collateral is or will be used, or has been or will be bought primarily for personal, family or household purposes; and (g) Debtor has read and understands the meaning and effect of all terms of this Agreement.

15. DEBTOR NAME(S) AND SIGNATURE(S).

By signing or otherwise authenticating below, each individual and each organization becomes jointly and severally obligated as a Debtor under this Agreement.

[INSERT APPROPRIATE SIGNATURE LINES]

INSTRUCTIONS
SECURITY AGREEMENT (SBA FORM 1059)

This revised version of SBA's Security Agreement complies with the revisions to Article 9 of the Uniform Commercial Code (UCC) effective July 1, 2001.

A. Use of this Form.

1. 7(a) loans. Use of this SBA Form 1059 is optional for 7(a) loans
2. 504 loans. Use of this SBA Form 1059 is mandatory for 504 loans. However, Certified Development Companies (CDCs) may substitute a provision or provisions in the Form, but only to the extent that the CDC's counsel issues a legal opinion to SBA concluding that use of the provision(s) in question would conflict with State law and would jeopardize the security interest securing the loan. CDCs may also use a different security agreement, but only to the extent that the CDC's counsel issues a legal opinion to SBA concluding that use of the form, in its entirety, would conflict with State law and would jeopardize the security interest securing the loan. In both cases, the CDC's counsel also must issue an opinion that the version of security agreement being used is legally enforceable and will protect the security interest securing the loan.
3. Type of collateral. This SBA Form 1059 is **NOT** appropriate for use for Collateral that may be consumer goods, i.e. goods used or bought for use primarily for "personal, family, or household purposes."

B. Completing the Form. Fill out the form where indicated. Complete the terms in accordance with the Authorization.

C. Information Grid. Fill out all spaces in the information grid at the top of the front page of the Security Agreement. Do not alter any part of the information grid except to insert information required to complete the form. Most information for the grid will come from the Authorization. **The information in the Security Agreement must be consistent with the information in all other loan documents,** for example, Authorization, Note, and Guaranties.

1. SBA Loan Number. Copy from the Authorization.
2. SBA Loan Name. Copy from the Authorization.
3. Debtor. The Debtor is the individual(s) or organization that owns or has an interest in, and is granting the security interest in, the Collateral described in the Security Agreement and that executes the Security Agreement. There may be more than one Debtor owning or having an interest in that Collateral. If the Debtor is a corporation, LLC, partnership, or other organization, insert the exact full legal name (as shown in the public records or organizational documents) of the organization. **If the Debtor is an individual(s), insert the exact full legal name** (as determined from available information about Debtor such as a birth certificate, government-issued ID card, driver's license or filed tax return) **AND all other names commonly or frequently used by the Debtor** (for example, Donald E. Smith, Don Smith, D.E. Smith). **The name(s) of the Debtor in the information grid must be the same as in the signature block.**
4. Borrower. **Insert all Borrower names.** Copy all Borrower names exactly from the Authorization. Where the Borrower is also the Debtor, the same name(s) should appear in both the "Debtor" and "Borrower" spaces in the information grid.

5. Secured Party. For 7(a) loans, insert the name of the Lender. For 504 loans, insert the name of the certified development company.
 6. Date. Insert the date the Debtor signs the Security Agreement.
 7. Note Amount. Copy the amount from the Note.
- D. Obligations Secured. In paragraph 3, fill in the blanks in the following order:
1. Date of Note. Insert the date of the Note.
 2. Name of Borrower. This name must match the Borrower name(s) in the information grid on the front page of the Security Agreement and on the Note.
 3. Payee. For 7(a) loans, insert the name of the Lender. For 504 loans, insert the name of the certified development company.
 4. Note Amount. Copy the amount from the Note.
- E. Collateral Description. Indicate the Collateral in which the security interest is granted by making an “X” or other mark on the applicable line(s). Do not use this SBA Form 1059 to obtain a security interest in Collateral that may be consumer goods, i.e. goods used or bought for use primarily for “personal, family, or household purposes.”
1. Letters “a” (equipment) or “b” (fixtures). If letters “a” or “b” are marked, please note that for SBA-guaranteed loans, the Authorization requires the Lender or CDC to obtain a list of all equipment and fixtures that are collateral for the loan. For items with a unit value of \$500 or more, the list must include a description and serial number, if applicable.
 2. Letters “j” (deposit accounts) and “k” (investment property). If letters “j” or “k” are marked, the Debtor also must execute a Control Agreement with the Lender and the bank in which the deposit account is maintained or securities intermediary in which there is a securities account. The bank or securities intermediary must subordinate to the Lender’s security interest any security interest that it may have in the deposit or securities account at any time. Lenders and CDCs should consult with counsel for further guidance.
 3. Letter “l” (titled motor vehicles). If the collateral consists of titled motor vehicles, including mobile or manufactured homes, list the make, model and serial number in the space provided.
- F. Perfection of Security Interest. Security interests created by this Security Agreement must be perfected as required under Article 9 of the UCC as in effect in the jurisdiction where the Debtor is located. Perfection generally requires the filing of a financing statement in the appropriate filing office in that jurisdiction designated by Article 9 of its UCC. Lenders and CDCs should consult with counsel for further guidance.
- G. Signature(s). Create the signature block at the end of the Security Agreement. The signature block must include the name of the Debtor, which must be exactly the same name(s) as shown in the “Debtor” space in the information grid. Lenders and CDCs should consult with counsel on how to complete an enforceable signature block that complies with applicable state law.

Statements Required by Laws and Executive Orders

Federal executive agencies, including the Small Business Administration (SBA), are required to withhold or limit financial assistance, to impose special conditions on approved loans, to provide special notices to applicants or borrowers and to require special reports and data from borrowers in order to comply with legislation passed by the Congress and Executive Orders issued by the President and by the provisions of various inter-agency agreements. SBA has issued regulations and procedures that implement these laws and executive orders, and they are contained in Parts 112, 113, 116, and 117, Title 13, Code of Federal Regulations Chapter 1, or Standard Operating Procedures.

This form contains a brief summary of the various laws and executive orders that affect SBA's business loan programs and gives applicants and borrowers the notices required by law or otherwise. The signatures required on the last page provide evidence that SBA has given the necessary notices.

Freedom of Information Act

(5 U.S.C. 552)

This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Right to Financial Privacy Act of 1978

(12 U.S.C. 3401)

This is notice to you as required by the Right to Financial Privacy Act of 1978, of SBA's access rights to financial records held by financial institutions that are or have been doing business with you or your business, including any financial institutions participating in a loan or loan guarantee. The law provides that SBA shall have a right of access to your financial records in connection with its consideration or administration of assistance to you in the form of a Government loan or loan guaranty agreement. SBA is required to provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records, after which no further certification is required for subsequent accesses. The law also provides that SBA's access rights continue for the term of any approved loan or loan guaranty agreement. No further notice to you of SBA's access rights is required during the term of any such agreement.

The law also authorizes SBA to transfer to another Government authority any financial records included in an application for a loan, or concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan or loan guarantee or to collect on a defaulted loan or loan guarantee. No other transfer of your financial records to another Government authority will be permitted by SBA except as required or permitted by law.

Flood Disaster Protection Act

(42 U.S.C. 4011)

Regulations have been issued by the Federal Insurance Administration (FIA) and by SBA implementing this Act and its amendments. These regulations prohibit SBA from making certain loans in an FIA designated floodplain unless Federal flood insurance is purchased as a condition of the loan. Failure to maintain the required level of flood insurance makes the applicant ineligible for any future financial assistance from SBA under any program, including disaster assistance.

Executive Orders -- Floodplain Management and Wetland Protection

(42 F.R. 26951 and 42 F.R. 26961)

The SBA discourages any settlement in or development of a floodplain or a wetland. This statement is to notify all SBA loan applicants that such actions are hazardous to both life and property and should be avoided. The additional cost of flood preventive construction must be considered in addition to the possible loss of all assets and investments in future floods.

Lead-Based Paint Poisoning Prevention Act

(42 U.S.C. 4821 et seq.)

Borrowers using SBA funds for the construction or rehabilitation of a residential structure are prohibited from using lead-based paint (as defined in SBA regulations) on all interior surfaces, whether accessible or not, and exterior surfaces, such as stairs, decks, porches, railings, windows and doors, which are readily accessible to children under 7 years of age. A "residential structure" is any home, apartment, hotel, motel, orphanage, boarding school, dormitory, day care center, extended care facility, college or other school housing, hospital, group practice or community facility and all other residential or institutional structures where persons reside.

Equal Credit Opportunity Act

(15 U.S.C. 1691)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

Civil Rights Legislation

All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public, on the basis of categories cited in 13 C.F.R., Parts 112, 113 and 117 of SBA Regulations. This includes making their goods and services available to handicapped clients or customers. All business borrowers will be required to display the "Equal Employment Opportunity Poster" prescribed by SBA.

Executive Order 11738 -- Environmental Protection

(38 F.R. 25161)

The Executive Order charges SBA with administering its loan programs in a manner that will result in effective enforcement of the Clean Air Act, the Federal Water Pollution Act and other environmental protection legislation. SBA must, therefore, impose conditions on some loans. By acknowledging receipt of this form and presenting the application, the principals of all small businesses borrowing \$100,000 or more in direct funds stipulate to the following:

1. That any facility used, or to be used, by the subject firm is not cited on the EPA list of Violating Facilities.
2. That subject firm will comply with all the requirements of Section 114 of the Clean Air Act (42 U.S.C. 7414) and Section 308 of the Water Act (33 U.S.C. 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in Section 114 and Section 308 of the respective Acts, and all regulations and guidelines issued thereunder.
3. That subject firm will notify SBA of the receipt of any communication from the Director of the Environmental Protection Agency indicating that a facility utilized, or to be utilized, by subject firm is under consideration to be listed on the EPA List of Violating Facilities.

Occupational Safety and Health Act

(15 U.S.C. 651 et seq.)

This legislation authorizes the Occupational Safety and Health Administration in the Department of Labor to require businesses to modify facilities and procedures to protect employees or pay penalty fees. In some instances the business can be forced to cease operations or be prevented from starting operations in a new facility. Therefore, in some instances SBA may require additional information from an applicant to determine whether the business will be in compliance with OSHA regulations and allowed to operate its facility after the loan is approved and disbursed.

Signing this form as borrower is a certification that the OSA requirements that apply to the borrower's business have been determined and the borrower to the best of its knowledge is in compliance.

Debt Collection Act of 1982 Deficit Reduction Act of 1984

(31 U.S.C. 3701 et seq. and other titles)

These laws require SBA to aggressively collect any loan payments which become delinquent. SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may take one or more of the following actions:

- Report the status of your loan(s) to credit bureaus
- Hire a collection agency to collect your loan
- Offset your income tax refund or other amounts due to you from the Federal Government
- Suspend or debar you or your company from doing business with the Federal Government
- Refer your loan to the Department of Justice or other attorneys for litigation
- Foreclose on collateral or take other action permitted in the loan instruments.

Immigration Reform and Control Act of 1986

(Pub. L. 99-603)

If you are an alien who was in this country illegally since before January 1, 1982, you may have been granted lawful temporary resident status by the United States Immigration and Naturalization Service pursuant to the Immigration Reform and Control Act of 1986 (Pub. L 99-603). For five years from the date you are granted such status, you are not eligible for financial assistance from the SBA in the form of a loan or guaranty under section 7(a) of the Small Business Act unless you are disabled or a Cuban or Haitian entrant. When you sign this document, you are making the certification that the Immigration Reform and Control Act of 1986 does not apply to you, or if it does apply, more than five years have elapsed since you have been granted lawful temporary resident status pursuant to such 1986 legislation.

Applicant's Acknowledgement

My signature acknowledges receipt of this form, that I have read it and that I have a copy for my files. My signature represents my agreement to comply with the requirements the Small Business Administration makes in connection with the approval of my loan request and to comply, whenever applicable, with the hazard insurance, lead-based paint, civil rights or other limitations in this notice.

Business Name _____

_____ By _____
Date Signature and Title

The Proprietor, each General Partner (or Limited Partner owning 20% or more), each Guarantor, each Corporate Officer, each Director, each Stockholder owning 20% or more, and where appropriate, the spouses of each of these, must sign. The person signing on behalf of the business must also sign individually.

Date Signature

Date Signature

Date Signature

Date Signature



**Certification Regarding
Debarment, Suspension, Ineligibility and Voluntary Exclusion
Lower Tier Covered Transactions**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 13 CFR Part 145. The regulations were published as Part VII of the May 26, 1988 *Federal Register* (pages 19160-19211). Copies of the regulations may be obtained by contacting the person to which this proposal is submitted.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Business Name _____

Date _____

By _____
Name and Title of Authorized Representative

Signature of Authorized Representative

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations (13CFR Part 145).
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.



STATEMENT REGARDING LOBBYING

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

- (1) If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

- (2) Submission of this statement is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature: _____

Date: _____

Name and Title: _____

LENDER'S SEMI-ANNUAL FUNDS DISBURSEMENT REPORT

FOR THE SIX MONTH PERIOD ENDING: _____ 20

This Report Shall Be Used To Provide SBA With A Synopsis Of Disbursement And Collection Activity For Every Revolving And CAPLines Loan On A Semi-Annual Basis Every April 30 & October 31 Over The Term Of The Loan. This Report Shall Be Sent To The SBA Office Servicing The Account. Lenders May Complete The Top Half For Every Disbursement And Collection Plus Provide The Summary Information Or Complete The Summary Information And Attach A Copy Of Their Transcript Of Account.

BORROWER'S NAME: _____

LOAN NUMBER: _____

LENDER'S NAME: _____

DATE: _____

<u>TRANSACTION DATE</u>	<u>DOLLAR AMOUNT DISBURSED</u>	<u>DOLLAR AMOUNT COLLECTED</u>	<u>BALANCE OUTSTANDING</u>
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	

DISBURSEMENT ACTIVITY SUMMARY FOR THE PERIOD COVERED BY THIS REPORT

Lenders To Complete This Summary For All Revolving And CAPLines Loans

TOTAL NUMBER OF DISBURSEMENTS (This Period): _____

TOTAL DOLLAR AMOUNT OF DISBURSEMENTS (This Period): _____

TOTAL NUMBER OF COLLECTIONS (This Period): _____

TOTAL DOLLAR AMOUNT OF COLLECTIONS (This Period): _____

HIGHEST OUTSTANDING LOAN BALANCE (This Period): _____

The provisions of 18 USC 1001 and 15 USC 645 provide certain criminal penalties for making false statements, willfully overvaluing collateral, or other prohibited acts. To induce SBA to directly or indirectly, to participate in this loan, the *Borrower*, subject to these provisions, acknowledges receipt of the above listed amounts on the above listed dates, and certifies: (1) that the proceeds of these disbursements will be, and all previous disbursements have been, used in accordance with the herein applicable Loan Authorization; (2) that there has been no substantial adverse change in the financial condition, organization, operation, or fixed assets since application for this loan was filed or since the previous disbursement; and (3) that there are no liens or encumbrances against the collateral securing this loan except those disclosed in the application for this loan. *Lender* certifies that disbursement of loan proceeds was made and the loan proceeds were used as set forth above and in accordance with the Loan Authorization (Any deviation from the Loan Authorization must be authorized in writing by SBA prior to expenditure of loan funds). Lender certifies that the Borrower's repayments were made and received as noted above. To further induce SBA to participate in the loan, *Lender* certifies that neither its Associates, Officers, Agents, Affiliates, or Attorneys have charged or will charge or receive, directly or indirectly, any bonus, fee, commission, or other payment or benefit, or require compensating balances, Certificate of Deposit, or other security in connection with making or servicing of this loan (other than those reported on SBA Form 4 "Application For Business Loan" or BAB-159 "Basic Asset Based Sub-Program Compensation Agreement"). This form must be properly executed and returned to the SBA when due. If there are additional disbursements, itemize on a separate sheet, sign, date, and attach hereto.

Signatures Of Lender And Borrower To Be Acquired With Each Report

LENDER: _____ AUTHORIZED SIGNATURE: _____ DATE: _____

BORROWER: _____ AUTHORIZED SIGNATURE: _____ DATE: _____

SBA REVIEW: _____ TITLE: _____ DATE: _____

LOAN AGREEMENT

THIS LOAN AGREEMENT (“Agreement”) is made _____, _____ between the Borrower and Lender identified in the attached Authorization issued by the U.S. Small Business Administration (“SBA”) to Lender, dated **DATE ON AUTHORIZATION**, _____, SBA Loan Number _____ (“Authorization”).

SBA has authorized a guaranty of a loan from Lender to Borrower for the amount and under the terms stated in the attached Authorization (the “Loan”).

In consideration of the promises in this Agreement and for other good and valuable consideration, Borrower and Lender agree as follows:

1. Subject to the terms and conditions of the Authorization and SBA’s Participating Lender Rules as defined in the Guarantee Agreement between Lender and SBA, Lender agrees to make the Loan if Borrower complies with the following “Borrower Requirements”. Borrower must:
 - a. Provide Lender with all certifications, documents or other information Lender is required by the Authorization to obtain from Borrower or any third party;
 - b. Execute a note and any other documents required by Lender; and
 - c. Do everything necessary for Lender to comply with the terms and conditions of the Authorization.
2. The terms and conditions of this Agreement:
 - a. Are binding on Borrower and Lender and their successors and assigns;
and
 - b. Will remain in effect after the closing of the Loan.
3. Failure to abide by any of the Borrower Requirements will constitute an event of default under the note and other loan documents

Borrower: _____

Lender: _____

BORROWER'S CERTIFICATION

INSTRUCTIONS: INDICATE THE PARAGRAPHS BEING CERTIFIED TO BY HAVING THE BORROWER INITIAL IN THE [_____] NEXT TO THE APPROPRIATE PARAGRAPHS, PRIOR TO SIGNING.

In order to induce **BANK NAME** ("Lender") to make a U. S. Small Business Administration ("SBA") guaranteed Loan, SBA Loan Number _____ ("Loan") to **NAME ON AUTHORIZATION OR SOLE PROPRIETOR** ("Borrower"),

A. Borrower and **DBA OR OC** ("Operating Company") certify that:

- [_____] 1. **Receipt of Authorization** - Borrower and Operating Company have received a copy of the Authorization for this Loan, from Lender, and acknowledge that:
- a. The Authorization is not a commitment by Lender to make a loan to Borrower;
 - b. The Authorization is between Lender and SBA and creates no third party rights or benefits to Borrower;
 - c. The Note will require Borrower to give Lender prior notice of intent to prepay.
 - d. If Borrower defaults on Loan, SBA may be required to pay Lender under the SBA guarantee. SBA may then seek recovery of these funds from Borrower. Under SBA regulations, 13 CFR Part 101, Borrower may not claim or assert against SBA any immunities or defenses available under local law to defeat, modify or otherwise limit Borrower's obligation to repay to SBA any funds advanced by Lender to Borrower.
 - e. Payments by SBA to Lender under SBA's guarantee will not apply to the Loan account of Borrower, or diminish the indebtedness of Borrower under the Note or the obligations of any personal guarantor of the Note.
- [_____] 2. **Adverse Change** - That there has been no adverse change in Borrower's (and Operating Company) financial condition, organization, operations or fixed assets since the date the Loan application was signed.
- [_____] 3. **Child Support** - No principal who owns at least 50% of the ownership or voting interest of the company is delinquent more than 60 days under the terms of any (1) administrative order, (2) court order, or (3) repayment agreement requiring payment of child support.
- [_____] 4. **Current Taxes** - Borrower and Operating Company are current on all federal, state, and local taxes, including but not limited to income taxes, payroll taxes, real estate taxes, and sales taxes.
- [_____] 5. **Environmental - For** real estate located at (address) _____:

- a. At the time Borrower submitted the Loan application, Borrower and Operating Company were in compliance with all local, state, and federal environmental laws and regulations pertaining to environmental contamination;
- b. Borrower and Operating Company have and will continue to comply with these laws and regulations;
- c. Borrower and Operating Company have no knowledge of any environmental contamination of any real or personal property pledged as collateral for the Loan which violates any such laws and regulations, (other than what was disclosed in connection with the Environmental Investigation of the property);
- d. Borrower and Operating Company assume full responsibility for all costs incurred in any clean-up of environmental contamination and agree to indemnify Lender and SBA against payment of any such costs (Lender or SBA may require Borrower and Operating Company to execute a separate indemnification agreement);

- e. Until full repayment of Loan, Borrower and Operating Company will promptly notify Lender and SBA if it knows, suspects or believes there may be any environmental contamination in or around the real property securing the Loan, or if Borrower, Operating Company or such property are subject to any investigation or enforcement action by any Governmental agency pertaining to any environmental contamination of the property.

B. Borrower and Operating Company certify that they will:

- [_____] 1. **Reimbursable Expenses-** Reimburse Lender for expenses incurred in the making and administration of the Loan.
- [_____] 2. **Books, Records, and Reports-**
- a. Keep proper books of account in a manner satisfactory to Lender;
 - b. Furnish [*check one if appropriate:* compiled - reviewed - audited] year-end statements to Lender within _____ days [120 days, if not filled in] of fiscal year end;
 - c. Furnish additional financial statements or reports whenever Lender requests them;
 - d. Allow Lender or SBA, at Borrower's or Operating Company's expense, to:
 - 1) Inspect and audit books, records and papers relating to Borrower's and Operating Company's financial or business condition; and
 - 2) Inspect and appraise any of Borrower's and Operating Company's assets; and
 - 3) Allow all government authorities to furnish reports of examinations, or any records pertaining to Borrower and Operating Company, upon request by Lender or SBA.
- [_____] 3. **Equal Opportunity -** Post SBA Form 722, Equal Opportunity Poster, where it is clearly visible to employees, applicants for employment and the general public, and comply with the requirements of SBA Form 793, Notice to New SBA Borrowers.
- [_____] 4. **American-made Products -** To the extent practicable, purchase only American-made equipment and products with the proceeds of the Loan.
- [_____] 5. **Taxes -** Pay all federal, state, and local taxes, including income, payroll, real estate and sales taxes of the business when they come due.
- [_____] 6. **Occupancy -** Occupy, at all times during the term of the Loan, at least 51% of the total rentable property and 100% of the renovated rentable property. Borrower will not use Loan proceeds to improve or renovate any of the rentable property leased to third parties.
- [_____] 7. **Occupancy -** Comply with the following provisions: (a) Borrower must lease 100% of the rentable property to Operating Company; (b) Operating Company may sublease up to 49% of the rentable property; (c) Borrower will not use Loan proceeds to improve or renovate any of the rentable property to be sub-leased.
- [_____] 8. **Occupancy -** (a) Immediately occupy at least 60% of the rentable property; (b) Continue to occupy at least 60% of the rentable property for the term of the Loan; (c) Lease long term no more than 20% of the rentable property to one or more tenants; (d) Plan to occupy within three years some of the remaining rentable property not immediately occupied or leased long term; (e) Plan to occupy within ten years all of the rentable property not leased long term.
- [_____] 9. **Occupancy -** Comply with the following provisions: (a) Borrower must lease 100% of the rentable property to Operating Company; (b) Operating Company must immediately occupy at least 60% of the rentable property; (c) Operating Company will lease long term no more than 20% of the rentable property to one or more tenants; (d) Operating Company must plan to occupy within three years some of the remaining rentable property not immediately occupied or leased long term; (e) Operating Company must plan to occupy within ten years all of the rentable property not leased long term.

C. Borrower and Operating Company certify that they will not, without Lender's prior written consent:

- [_____] 1. **Distributions-** Make any distribution of company assets that will adversely affect the financial condition of Borrower and/or Operating Company.



U.S. Small Business Administration
Standard 7(a) Loan Guaranty Processing Center
6501 Sylvan Road
Citrus Heights, CA 95610
(916) 735-1500 X4373 Fax (916) 735-1554

CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT OBLIGATIONS

The following certification is required to comply with the statement of policy expressed in 13 C.F.R. Section 116.42 and shall be a condition of all financial assistance granted under sections 7(a) and 7(b) of the Small Business Act, 15 U.S.C. Section 631 et seq. For purposes of this requirement, the term "Recipient" shall mean an owner of 50% or more of the ownership interest of an applicant for assistance under section 7(a) or 7(b) of the Small Business Act.

LENDER NAME, certifies that he/she is not more than sixty (60) days delinquent under the terms of any (A) administrative order; (B) court order; or (C) repayment agreement entered into between him/her and the custodial parent or state agency providing child support enforcement services, that requires him/her to pay child support, as defined in Section 462(b) of the Social Security Act.

Date: _____

Borrower: APPLICANT BORROWING (THE SBA LOAN)
(type or print name)

Recipient: PERSON RECEIVING (THE SBA LOAN)
(type or print name)

(Signature)

BORROWER AND RECIPIENT ARE USUALLY THE SAME PERSON.

IF THIS FORM IS NOT APPLICABLE, HAVE THE BORROWER CROSS THROUGH THE FORM, THEN SIGN AND DATE IT. (THIS PROVES THAT THE QUESTION OF CHILD SUPPORT WAS ASKED AND THAT THE BORROWER SUPPLIED THE REQUIRED INFORMATION.)

Form **4506-T**

(Rev. January 2008)

Department of the Treasury
Internal Revenue Service

Request for Transcript of Tax Return

▶ **Do not sign this form unless all applicable lines have been completed.**
Read the instructions on page 2.

▶ **Request may be rejected if the form is incomplete, illegible, or any required line was blank at the time of signature.**



OMB No. 1545-1872

Tip: Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can also call 1-800-829-1040 to order a transcript. If you need a copy of your return, use **Form 4506**, Request for Copy of Tax Return. There is a fee to get a copy of your return.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return or employer identification number (see instructions)
2a If a joint return, enter spouse's name shown on tax return	2b Second social security number if joint tax return
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code	
4 Previous address shown on the last return filed if different from line 3	
5 If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.	

Caution: DO NOT SIGN this form if a third party requires you to complete Form 4506-T, and lines 6 and 9 are blank.

6 Transcript requested. Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶ _____

a Return Transcript, which includes most of the line items of a tax return as filed with the IRS. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days

b Account Transcript, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days

c Record of Account, which is a combination of line item information and later adjustments to the account. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days

7 Verification of Nonfiling, which is proof from the IRS that you **did not** file a return for the year. Most requests will be processed within 10 business days

8 Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript. The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2006, filed in 2007, will not be available from the IRS until 2008. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days

Caution: If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

9 Year or period requested. Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

/ /
/ /
/ /
/ /

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, **either** husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer.

		Telephone number of taxpayer on line 1a or 2a ()
Sign Here	▶ Signature (see instructions)	Date
	▶ Title (if line 1a above is a corporation, partnership, estate, or trust)	
	▶ Spouse's signature	Date

General Instructions

Purpose of form. Use Form 4506-T to request tax return information. You can also designate a third party to receive the information. See line 5.

Tip. Use Form 4506, Request for Copy of Tax Return, to request copies of tax returns.

Where to file. Mail or fax Form 4506-T to the address below for the state you lived in, or the state your business was in, when that return was filed. There are two address charts: one for individual transcripts (Form 1040 series and Form W-2) and one for all other transcripts.

If you are requesting more than one transcript or other product and the chart below shows two different RAVS teams, send your request to the team based on the address of your most recent return.

Note. You can also call 1-800-829-1040 to request a transcript or get more information.

Chart for individual transcripts (Form 1040 series and Form W-2)

If you filed an individual return and lived in:	Mail or fax to the "Internal Revenue Service" at:
District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont	RAIVS Team Stop 679 Andover, MA 05501 978-247-9255
Alabama, Delaware, Florida, Georgia, North Carolina, Rhode Island, South Carolina, Virginia	RAIVS Team P.O. Box 47-421 Stop 91 Doraville, GA 30362 770-455-2335
Kentucky, Louisiana, Mississippi, Tennessee, Texas, a foreign country, or A.P.O. or F.P.O. address	RAIVS Team Stop 6716 AUSC Austin, TX 73301 512-460-2272
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming	RAIVS Team Stop 37106 Fresno, CA 93888 559-456-5876
Arkansas, Connecticut, Illinois, Indiana, Michigan, Missouri, New Jersey, Ohio, Pennsylvania, West Virginia	RAIVS Team Stop 6705-B41 Kansas City, MO 64999 816-292-6102

Chart for all other transcripts

If you lived in or your business was in:	Mail or fax to the "Internal Revenue Service" at:
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming, a foreign country, or A.P.O. or F.P.O. address	RAIVS Team P.O. Box 9941 Mail Stop 6734 Ogden, UT 84409 801-620-6922
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	RAIVS Team P.O. Box 145500 Stop 2800 F Cincinnati, OH 45250 859-669-3592

Line 1b. Enter your employer identification number (EIN) if your request relates to a business return. Otherwise, enter the first social security number (SSN) shown on the return. For example, if you are requesting Form 1040 that includes Schedule C (Form 1040), enter your SSN.

Line 6. Enter only one tax form number per request.

Signature and date. Form 4506-T must be signed and dated by the taxpayer listed on line 1a or 2a. If you completed line 5 requesting the information be sent to a third party, the IRS must receive Form 4506-T within 60 days of the date signed by the taxpayer or it will be rejected.

Individuals. Transcripts of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506-T exactly as your name appeared on the original return. If you changed your name, also sign your current name.

Corporations. Generally, Form 4506-T can be signed by: (1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer.

Partnerships. Generally, Form 4506-T can be signed by any person who was a member of the partnership during any part of the tax period requested on line 9.

All others. See Internal Revenue Code section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

Documentation. For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the Letters Testamentary authorizing an individual to act for an estate.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to establish your right to gain access to the requested tax information under the Internal Revenue Code. We need this information to properly identify the tax information and respond to your request. Sections 6103 and 6109 require you to provide this information, including your SSN or EIN. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506-T will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form**, 10 min.; **Preparing the form**, 12 min.; and **Copying, assembling, and sending the form to the IRS**, 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506-T simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where to file* on this page.