

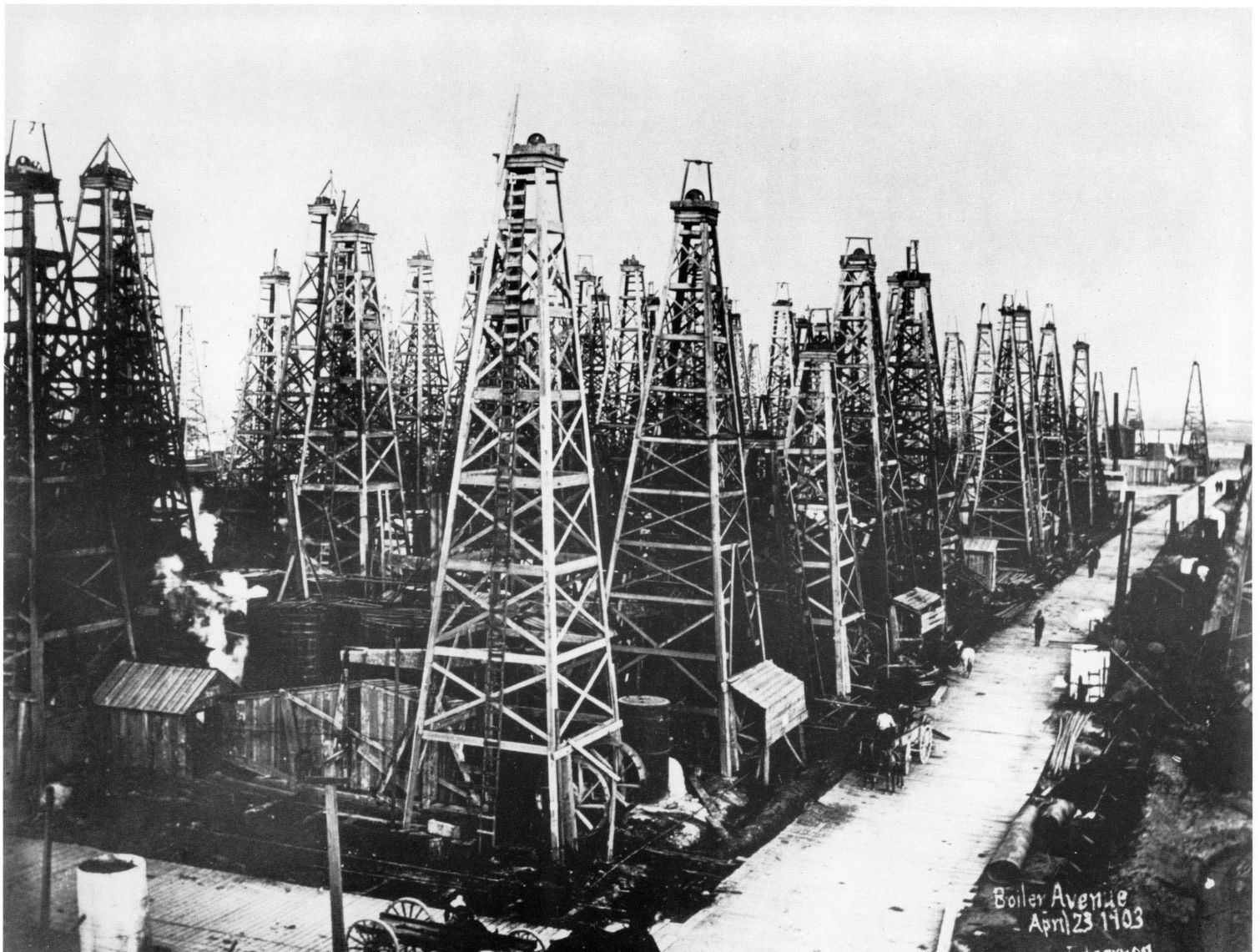


*Lending a Hand to Small Business*

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# SBA Real Estate Advantage Loan Application

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# Loan Application Document Checklist

*In addition to your application, SBAlliance Capital requires the following documents to properly review your request.*

- Signed Application Agreement
- Personal History Form for all 20% owners or majority partners.—Page 9
- Personal Financial Statement within the last 60 days for all 20% owners or majority partners.—Page 11
- Complete Personal Tax Returns, with Schedules, for the past three years. Provide extension if the Return is not available. Provide for all 20% owners or majority partners.
- Personal Cash Flow Statement for all 20% owners or majority partners.—Page 13
- Source of Equity Injection. How much and from where does the borrower's contribution originate?—Page 14
- Listing of Shareholders/Directors/Corporate Officers.—Page 15
- Current Financial Statement for all businesses associated with this loan application within the last 60 days. Include all affiliate businesses.
- Year-End Financial Statements for the past three years for all businesses associated with this loan application. Include all affiliate businesses.
- Tax Returns for the past three years for all businesses associated with this loan application. Include all affiliate businesses. If a Return is not available, please provide a copy of the extension.
- Projections, with assumptions, for 12 months following SBA funding. Projections should be prepared on a monthly basis.
- Business Resume.—Page 16
- Business Accounts Receivable aging as of the current financial statement date.
- Business Accounts Payable aging as of the current financial statement date.
- Indicate how much officer's or owner's salaries/draws will be. If no salaries are taken, please indicate how personal living expenses will be met.
- Corporate Documents: By Laws, Articles of Incorporation, Certificate of Incorporation.
- Assumed Name Certificate.
- Business Debt Schedule as of current financial statement date.—Page 17
- Copy of Partnership Agreement. (Only for businesses that are organized as Partnerships)
- Copy of Certificate of Limited Partnership. (Only for businesses that are organized as Limited Partnerships)
- Lease Agreement with option to renew for term of loan. (Only for leasehold improvements)
- Letter from the seller explaining why he/she wants to sell. (Only when purchasing an existing business)
- Please provide a couple of paragraphs on the history of your business.
- Copy of the Franchise Agreement and FTC Disclosure Statement. (Only when the business is a franchise)
- Copy of the Fuel Agreement. (Only when the business is a Service Station/Convenience Store/Gas Station)
- Listing of all assets associated with the business.
- Copy of the Deed of Trust or current Earnest Money Contract.
- Copy of all Notes, with Security Agreements, to be refinanced with SBA proceeds.
- Copy of quotes for equipment to be purchased as well as improvements and construction.
- Copy of Buy/Sell Agreement.
- Answers to Miscellaneous Questions on application.

# LENDING

a hand to small business



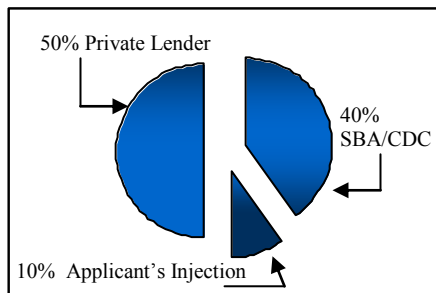
# SBA 504

An SBA 504 loan is a partnership between a Certified Development Company (SBAlliance Capital), an applicant and a lender. The SBA 504 loan program offers eligible small businesses long term, fixed rate financing on fixed asset projects. In partnership with a third party lender, we are able to provide the applicant with up to 90% of the project's total financing requirements. This allows the applicant to reduce his/her capital investment to as little as 10%.

The Southeast Texas Economic Development Foundation, d/b/a SBAlliance Capital, is a Certified Development Company that administers the SBA 504 loan program throughout the state of Texas. Our partnership with commercial lending institutions provides us the opportunity to finance up to 40% of the total project with the lender carrying 50% of the project financing in first lien position.

Project Example  
(\$1,000,000)

Bank	\$500,000
SBA	\$400,000
Applicant	\$100,000



*The following highlights the general principles of the SBA 504 loan program. The information provided here is not meant to be a complete listing of all relevant policies and/or requirements.*

## PROCESSING YOUR APPLICATION

Prior to submitting your application to the U.S. Small Business Administration, SBAlliance Capital will collect and review the necessary documentation to sufficiently analyze and underwrite your financing request. In this process, SBAlliance will determine your eligibility based on standards established by SBA. Eligibility includes, but is not limited to the following criteria.

## BUSINESS ELIGIBILITY

All corporations, partnerships, proprietorships and SBA approved franchises, located within the United States and established for profit. Eligible small businesses must

have a combined net worth of no more than \$15 million and an average net profit after taxes from the previous two years of less than \$5 million.

## PROJECT ELIGIBILITY

Eligible projects include the purchase, refinance renovation or construction of owner occupied commercial real estate, furniture, fixtures, equipment and project related soft costs by a for-profit business.

- Owner Occupancy—Small business applicants must occupy at least 51% of existing construction and must occupy at least 60% of new construction.

## LENDING CAPACITY

The maximum share of a total project eligible for financing under the SBA 504 program is limited to 40% of the total eligible project costs. The lending maximum on most projects is \$5 million. For projects involving small manufacturers and energy efficiency, lending limits are increased to \$5.5 million. The minimum lending limit for SBAlliance's 40% of the total project, is \$25,000.

## TERMS OF THE NOTE

Most real estate projects are financed for 20 years at a fixed interest rate. These terms are only applicable to the SBA portion of the project, a maximum of 40%. SBA also offers a 10 year note for both real estate projects and the purchase of machinery and equipment which demonstrate a useful life of at least 10 years. The terms of the third party lender's financing must adhere to a minimum of 7 years on a 10 year debenture and 10 years on a 20 year debenture.

## INTEREST RATES

The SBA 504 loan program is funded through the sale of debentures (bonds) on the New York market. At the time of sale each month, a fixed rate is assigned based on the Treasury. However, this rate will not be assigned until the project has funded, closed, and the bond has sold. Historical interest rates can be obtained through the U.S. Small Business Administration at [www.sba.gov](http://www.sba.gov).

### **REAL ESTATE OWNERSHIP**

Under SBA regulations, a passive, single purpose real estate holding company or individual (an Eligible Passive Company), is permitted to hold title to real estate and lease a project facility to an eligible small business concern. There must be common entities and/or individuals of the operating company and eligible passive company and common entities and individuals must sign the loan documents. The project must involve an eligible use of proceeds and lease to one or more Operating Companies (OC) for conducting the OC's business.

### **SIZE ELIGIBILITY**

A small business applicant, together with its affiliates (when one concern controls or has the power to control the other), generally may not have a tangible net worth of more than \$15 million and may not have an average net income after taxes for a two year average of more than \$5 million.

### **GUARANTORS**

Personal guarantees are required from every person or entity owning 20% or more of an eligible small business applicant or any eligible passive company owning any of the project real estate, machinery or equipment. Texas is a community property state and therefore a spousal guarantee will be required. Additional guarantors may be required at the CDC's and/or Third Party Lender's discretion.

### **LIFE INSURANCE**

If the ongoing viability of the business is dependent on the health of an individual employee, the CDC and SBA may require, as a condition of approval, an acknowledged collateral assignment of key-person life insurance on the owner(s) of the business applicant.

### **LOAN PREPAYMENT**

A small business may pay off a SBA 504 loan in full at, or prior to, a scheduled maturity date. Doing so will incur a prepayment penalty over the first half of the life of the SBA 504 loan. The penalty is calculated on a declining basis. Partial or additional payments may NOT be made against the SBA 504 note.

### **LOAN ASSUMPTION**

SBA 504 loans may be assumed. However, applicants assuming the note must be a SBA approved applicant. The CDC may assess an assumption fee on the outstanding indebtedness for all assumptions.

### **PRIOR CRIMINAL OFFENSES**

All applicants must complete SBA Form 912 disclosing one's personal history. Any criminal offenses, arrests or convictions, must be disclosed. If prior offenses have occurred, the applicant will be required to provide copies of all relevant court documents and an explanation of the charges including the date of the offense, location, charge and corrective action taken. The CDC will also require a fingerprint card to be completed on the SBA provided card. A prior criminal offense or conviction will not necessarily disqualify a SBA 504 applicant.

### **LEGAL PERMANENT RESIDENTS**

Businesses owned by individuals who are not citizens of the United States are eligible for financing (subject to clearance on all other eligibility requirements) but processing conditions may vary depending on residency status. Applicants seeking financing through the SBA 504 program who are not citizens of the United States must provide documentation (front and back) evidencing residency status.

### **SBA 504 FEES/EXPENSES**

*Loan Packaging Fee:* At the time of application, the prospective applicant will be assessed a fee of \$2,500. This fee is charged in advance to cover the loan packaging costs of the CDC. At the time of funding, this fee will be reimbursed to the applicant. Should the loan not fund, the CDC will retain the fee to cover the cost of services expended on the project.

*Out of Pocket:* Recording costs and title insurance fees will be paid by the small business. Legal fees, not to exceed \$3,000 and a processing fee, will be charged on the note. If the loan does not fund, the small business is responsible for reimbursing any legal or title fees incurred on its behalf.

*Included in Financing:* The SBA 504 loan program is funded by small businesses participating in the program. A combined fee total of 2.25 to 3.00% allows for the costs associated with accessing, processing, selling, funding and underwriting the sale of the debenture on the New York Market. This combined fee total is included in the loan proceeds so no additional out of pocket expenses are incurred.

*Interest Rate:* The monthly payment a small business makes on a SBA note includes two on-going fees associated with the program. 1) A servicing fee received by SBAlliance Capital and 2) A fee paid to a central servicing agent in New York who collects the fee and distributes it to the owner of the debenture. These fees are based on the outstanding principal balance of the debenture. This fee is subject to change, but SBAlliance Capital assesses the minimum unless circumstances necessitate charging a higher fee.

*Third Party Lender Fee:* Unless paid by SBA, a one-time bank participation fee of 0.5% on any new deed of trust senior to the SBA 504 deed of trust, is due to the SBA by the participating lender at the time of closing.

### **ENVIRONMENTAL REPORTING**

Prior to the final disbursement of funds, evidence must be provided that a project property is free and clear of any environmental hazards or contamination. Depending on the size and nature of the project, one or more of the following reports may be required: 1) Environmental Questionnaire and Records Search with Risk Assessment 2) Transactional Screen Analysis 3) Phase I 4) Phase II. TSA, Phase I and Phase II reports must be accompanied by a Reliance Letter in accordance with SBA standards and proof of liability insurance for the period during which the report was completed.

**ENVIRONMENTAL REPORTING CONT.**

Reports must be addressed to the Southeast Texas Economic Development Foundation, U.S. Small Business Administration and the Participating Lender.

**APPRAISAL**

An appraisal will be required on all projects involving the purchase or construction of real estate. It may also be required when the project involves the purchase of used equipment. Appraisals must be ordered by the third party lender and performed by a state certified appraiser. Reports must be addressed to the Southeast Texas Economic Development Foundation, the U.S. Small Business Administration and the Participating Lender.

**INSURANCE REQUIREMENTS**

Where appropriate, the applicant must purchase and maintain Flood Insurance, Real Estate Hazard Insurance, Personal Property Hazard Insurance and Liability Insurance.

**APPLICANT’S INJECTION PERCENTAGE**

Existing businesses interested in expanding current operations are generally required to invest 10% of the total project cost. New businesses, those operating less than two years, are required to invest a minimum of 15% of the total project cost. Special use, or single use properties also require a 15% investment. Projects that involve both a new entity and a special use property will require a 20% investment.

**JOB CREATION**

A primary objective of the SBA 504 loan program is to create and/or retain jobs. Therefore, eligible projects must satisfy SBA standards for job creation through the established public policy goals (13 CFR 120.862), or create or retain 1 job per \$65,000 borrowed.

**APPROVAL PROCESS**

Once all of the requested documents have been received, SBAlliance Capital and the CDC’s contracted agent will analyze and underwrite the project. Upon completion, the loan package will be shipped to SBAlliance Capital for signatures by the borrowing entities and internal loan review by the CDC’s loan committee. Once approved by the CDC’s loan committee, the file will be transferred to SBA for authorization. When approved by SBA, the third party lender will be authorized to release funds to the small business applicant and begin the closing process. The SBA closing will follow when all transactions and any construction is complete.

**METHOD OF LOAN PAYMENT**

Monthly payments of the SBA 504 note will be made through automatic transfer from an account designated by the small business applicant. Payments are due on the first working day of each month beginning the month immediately following the actual sale of the debenture.

**INDEMNIFICATION**

An applicant(s) will indemnify and hold SBAlliance Capital and/or its agents harmless from any and all loss or injury, including reasonable attorney fees, resulting or arising from failure by the applicant to receive such loan, and/or any loss or liability to applicants or the business applicant. All parties agree that there are no other promises, terms, or agreements between SBAlliance Capital and that program rules and fees are subject to change at any time.

**FINANCIAL PRIVACY**

It is our commitment to protect the personal information you have provided to us, and collect and disclose this information only as allowed by law. Although we are required to collect a credit bureau report on all applicants applying for assistance under our loan programs, and a signature below acknowledges this requirement, we are dedicated to security procedures designed to protect all of your personal information. We maintain physical, procedural and electronic safeguards to protect your personal information. We do not sell or trade your personal information to anyone.

*The undersigned acknowledges that he/she understands the provisions described within this Disclosure Statement as they apply to an application for consideration under the SBA 504 loan program accessed through SBAlliance Capital.*

COMPANY: \_\_\_\_\_

SIGNED: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

# Loan Application Agreement

Web Site: [www.sballiancecapital.org](http://www.sballiancecapital.org)

Please read this Agreement carefully. In signing this Agreement, you acknowledge that you have read, understood, and agree to be bound by, each and every provision set forth herein.

This Agreement is made and entered into between SBAlliance Capital ("CDC") and the undersigned ("Applicant").

Applicant is seeking financial assistance under SBA504 loan program of the Small Business Act, and CDC is able and willing to provide the loan packaging services necessary to apply for such financial assistance. Therefore, Applicant and CDC agree as follows:

1. **Preparation of Loan Package**

CDC will assist Applicant in preparing the Loan Package required by the U.S. Small Business Administration ("SBA") prior to the SBA considering Applicant's application for an SBA guaranty.

2. **Loan Packaging Fee**

In consideration for CDC's services, applicant will pay CDC a refundable Loan Packaging Fee of \$2500.

The refundable deposit will be paid to CDC at the time Applicant gives CDC those documents identified in the checklist provided to Applicant by CDC. The deposit will be refunded after the project has been complete and the debenture has sold.

3. **No Representations or Warranties**

Applicant understands and acknowledges that CDC cannot and does not make representations or warranties as to the likelihood of guaranty authorization by the SBA and/or applicant obtaining any loan. Applicant further understands and acknowledges that Applicant's obligation to pay the Loan Packaging Fee to CDC is not contingent upon guaranty authorization by the SBA. Applicant acknowledges and agrees that CDC and CDC's employees, agents and representatives have made no representations, promises or warranties to Applicant and that Applicant has not relied on any representation, promise or warranty of CDC and /or CDC's employees, agents and/or representatives regarding approval and/or obtaining a loan. The CDC has no authority to bind the SBA or any lender. CDC makes no representation as to the length of time to prepare the loan package, submission to a lender and/or any other actions implied by this agreement.

4. **Extraordinary Services**

Extraordinary Services are services beyond those normally required in preparing a Loan Package. If extraordinary services are performed, Applicant agrees to compensate CDC for such services at the rate of \$50 per hour. Applicant will be notified in the event extraordinary services are required. No extraordinary services will be performed without Applicant's approval.

5. **Termination**

CDC may terminate its loan packaging services and all other obligations under this Agreement upon written notice to Applicant. Applicant may terminate the loan packaging services of CDC upon written notice, but shall pay all sums required under this agreement as of termination.

6. **Entire Agreement**

This agreement sets forth the entire agreement between the parties hereto and fully supersedes all prior oral and/or written agreements, understandings, commitments, and practices between the parties pertaining to the subject matter hereof.

7. **Construction of Agreement**

This agreement shall be construed under the laws of the State of Texas. Should any litigation arise out of or in connection with this agreement, the Courts of the State of Texas shall have jurisdiction thereof.

8. **Indemnification**

Applicant will indemnify and hold CDC and its officers, directors, employees, agents, and attorneys harmless from any and all loss, damage or injury (including attorneys' fees incurred with attorneys of CDC's choice) resulting from:  
Failure by Applicant to receive guaranty authorization by the SBA; and/or  
Any loss, damage or liability to Applicant or the business of Applicant.

9. **Publicity Use**

The undersigned hereby authorizes the CDC to use the business and the undersigned name in CDC related promotional material.

Check here if you do not want your names used

SBAlliance Capital

Dated \_\_\_\_\_

By \_\_\_\_\_  
CDC Representative

APPLICANT(S)

Dated \_\_\_\_\_

\_\_\_\_\_

Dated \_\_\_\_\_

\_\_\_\_\_



## 504 Loan Application

### Company Information

Company Name \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Principal Contact \_\_\_\_\_ Phone \_\_\_\_\_ Fax \_\_\_\_\_

Secondary Contact \_\_\_\_\_ Phone \_\_\_\_\_ Fax \_\_\_\_\_

Type of Business \_\_\_\_\_ Date Established \_\_\_\_\_

Type of Entity  Proprietorship  Partnership  Corporation  LLC

### Company Ownership (Please list 100% of ownership)

Name \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_

\*\*If any guarantors or the applicant business have a 20% or more interest in other businesses, including Regular or Sub S Corporations, Partnerships, Proprietorships, etc., please provide the following information: Percent Ownership, Title, Current Financial Statement, Last Three Year's Tax Returns, Last Three Year's Financials.

### Affiliate Businesses (If applicable)

Name \_\_\_\_\_ Owner \_\_\_\_\_ % Ownership \_\_\_\_\_

Name \_\_\_\_\_ Owner \_\_\_\_\_ % Ownership \_\_\_\_\_

### Existing Business Location

Address \_\_\_\_\_ Sq. Ft. \_\_\_\_\_ Lease Pmt. \_\_\_\_\_ Replaced by new facility \_\_\_\_\_

### References

Bank Name \_\_\_\_\_ Acct. Officer \_\_\_\_\_ Phone \_\_\_\_\_

Accountant \_\_\_\_\_ Firm \_\_\_\_\_ Phone \_\_\_\_\_

Attorney \_\_\_\_\_ Firm \_\_\_\_\_ Phone \_\_\_\_\_

Trade Reference \_\_\_\_\_ Contact \_\_\_\_\_ Phone \_\_\_\_\_

Trade Reference \_\_\_\_\_ Contact \_\_\_\_\_ Phone \_\_\_\_\_

### Nature of Your Business

Nature of your business \_\_\_\_\_

Type of product or service \_\_\_\_\_

Geographic Market \_\_\_\_\_

Key Customers \_\_\_\_\_

Major Competitors \_\_\_\_\_

**Project Information**

Street Address of Project \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ County \_\_\_\_\_  
 What is the square footage of the new building? \_\_\_\_\_ How many square feet will you occupy? \_\_\_\_\_  
**\*\*SBA requires your company to occupy 51% of existing construction and 60% of new construction.**  
 If known, how will the property be vested? (i.e. Individually, Partnership, LLC, Corporation, Trust, etc.) \_\_\_\_\_  
 Please provide the appropriate documentation. (i.e. Partnership Agreement, LLC Documents, Articles of Incorporation, etc.)

**Total Project Costs**

<b>Purchase Existing Building or Equipment Only</b>	<b>Construction Project</b>
Purchase Price.....\$ _____	Land Acquisition.....\$ _____
Tenant Improvements.....\$ _____	Construction Bid.....\$ _____
Equipment.....\$ _____	Soft Costs.....\$ _____
Total.....\$ _____	Equipment.....\$ _____
	Total.....\$ _____

**\*\*Equipment to be purchased must have a useful life of at least 10 years.**

**Employee Questionnaire**

Number of current employees \_\_\_\_\_ Estimated number of employees within the next two years \_\_\_\_\_

**KEY EMPLOYEES**

Name	Title	Responsibilities	Years with Company	Years in Industry

**Miscellaneous Questions (Please submit additional explanation as needed)**

- Are spouses active in the business? YES  NO
- If any guarantors or the applicant business have a 20% or more interest in other businesses, including Regular or Sub S corporations, partnerships, proprietorships, etc., please provide the following information: Percent of ownership, title (if any), current financial statement, last three year-end financial statements, and last three years tax returns.
- Does your company buy, sell to, or use the services of a concern in which a 20% or more owner, officer, or director has a significant (20%+) financial interest? YES  NO
- Is business or individual guarantor involved in any lawsuits? YES  NO  If yes, please provide an explanation to include description, amount, probable outcome, etc.
- Have any officers of your company ever been involved in bankruptcy or insolvency proceedings? YES  NO  If yes, please provide detailed explanation and copy of court documents.
- Has any officer of your company ever had a previous SBA or government loan - funding or submissions (including student, FHA, disaster, etc.). YES  NO  If yes, please provide the following information: Name of agency, date of request, approved or declined, original balance, current balance, whether current or past due.
- Are you (personal and corporate) current on payroll, property, sales, and income taxes? YES  NO
- Does your business do any exporting? YES  NO

**Authorization to Release Information**

I/ We hereby authorize the release to SBAlliance Capital of any information they may require at any time for any purpose related to my/our credit transaction with them. I/We further authorize SBAlliance Capital to release such information to any entity that they deem necessary for any purpose related to my/our credit transaction with them.

I/We hereby certify that the enclosed information, including any attachments or exhibits provide herewith or at a later date, is valid and correct to the best of my/our knowledge.

Name of Applicant(s) \_\_\_\_\_  
 Signature of Applicant(s) \_\_\_\_\_ Date \_\_\_\_\_





United States of America  
**SMALL BUSINESS ADMINISTRATION**  
**STATEMENT OF PERSONAL HISTORY**

**Please Read Carefully:** SBA uses Form 912 as one part of its assessment of program eligibility. Please reference SBA Regulations and Standard Operating Procedures if you have any questions about who must submit this form and where to submit it. For further information, please call SBA's Answer Desk at 1-800-U-ASK-SBA (1-800-827-5722), or check SBA's website at [www.sba.gov](http://www.sba.gov). **DO NOT SEND COMPLETED FORMS TO OMB as this will delay the processing of your application; send forms to the address provided by your lender or SBA representative.**

Name and Address of Applicant (Firm Name)(Street, City, State, and ZIP Code)	SBA District/Disaster Area Office
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Amount Applied for (when applicable)	File No. (if known)
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<p>1. Personal Statement of: (State name in full, if no middle name, state (NMN), or if initial only, indicate initial.) List all former names used, and dates each name was used. Use separate sheet if necessary.</p> <p>First _____ Middle _____ Last _____</p>	<p>2. Give the percentage of ownership or stock owned or to be owned in the small business or the development company</p>	<p>Social Security No.</p>
<p>3. Date of Birth (Month, day, and year)</p>		
<p>4. Place of Birth: (City &amp; State or Foreign Country)</p>		

Name and Address of participating lender or surety co. (when applicable and known)	<p>5. U.S. Citizen? <input type="checkbox"/> YES <input type="checkbox"/> NO <b>INITIALS:</b> _____</p> <p>If No, are you a Lawful Permanent resident alien: <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>If non- U.S. citizen provide alien registration number: _____</p>
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<p>6. Present residence address:</p> <p>From: _____</p> <p>To: _____</p> <p>Address: _____</p> <p>Home Telephone No. (Include Area Code): _____</p> <p>Business Telephone No. (Include Area Code): _____</p>	<p>Most recent prior address (omit if over 10 years ago):</p> <p>From: _____</p> <p>To: _____</p> <p>Address: _____</p>
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**PLEASE SEE REVERSE SIDE FOR EXPLANATION REGARDING DISCLOSURE OF INFORMATION AND THE USES OF SUCH INFORMATION.**

**YOU MUST INITIAL YOUR RESPONSES TO QUESTIONS 5,7,8 AND 9.**

**IF YOU ANSWER "YES" TO 7, 8, OR 9, FURNISH DETAILS ON A SEPARATE SHEET. INCLUDE DATES, LOCATION, FINES, SENTENCES, WHETHER MISDEMEANOR OR FELONY, DATES OF PAROLE/PROBATION, UNPAID FINES OR PENALTIES, NAME(S) UNDER WHICH CHARGED, AND ANY OTHER PERTINENT INFORMATION. AN ARREST OR CONVICTION RECORD WILL NOT NECESSARILY DISQUALIFY YOU; HOWEVER, AN UNTRUTHFUL ANSWER WILL CAUSE YOUR APPLICATION TO BE DENIED AND SUBJECT YOU TO OTHER PENALTIES AS NOTED BELOW.**

7. Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction?

Yes  No **INITIALS:** \_\_\_\_\_

8. Have you been arrested in the past six months for any criminal offense?

Yes  No **INITIALS:** \_\_\_\_\_

9. For any criminal offense – other than a minor vehicle violation – have you ever: 1) been convicted; 2) plead guilty; 3) plead nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment).

Yes  No **INITIALS:** \_\_\_\_\_

10. I authorize the Small Business Administration Office of Inspector General to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, and the Small Business Investment Act.

**CAUTION - PENALTIES FOR FALSE STATEMENTS:** Knowingly making a false statement on this form is a violation of Federal law and could result in criminal prosecution, significant civil penalties, and a denial of your loan, surety bond, or other program participation. A false statement is punishable under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

Signature	Title	Date
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<p><b>Agency Use Only</b></p> <p>11. <input type="checkbox"/> Fingerprints Waived _____ Date _____ Approving Authority _____</p> <p><input type="checkbox"/> Fingerprints Required _____ Date _____ Approving Authority _____</p> <p>Date Sent to OIG _____</p>	<p>12. <input type="checkbox"/> Cleared for Processing _____ Date _____ Approving Authority _____</p> <p>13. <input type="checkbox"/> Request a Character Evaluation _____ Date _____ Approving Authority _____</p> <p>(Required whenever 7, 8 or 9 are answered "yes" even if cleared for processing.)</p>
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PLEASE NOTE: The estimated burden for completing this form is 15 minutes per response. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. If you wish to submit comments on the burden for completing this form, direct these comments to U.S. Small Business Administration, Chief, AIB, 409 3rd St., S.W., Washington D.C. 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C. 20503. OMB Approval 3245-0178. **DO NOT SEND COMPLETED FORMS TO OMB as this will delay the processing of your application; send forms to the address provided by your lender or SBA representative.**

## NOTICES REQUIRED BY LAW

The following is a brief summary of the laws applicable to this solicitation of information.

### **Paperwork Reduction Act (44 U.S.C. Chapter 35)**

SBA is collecting the information on this form to make a character and credit eligibility decision to fund or deny you a loan or other form of assistance. The information is required in order for SBA to have sufficient information to determine whether to provide you with the requested assistance. The information collected may be checked against criminal history indices of the Federal Bureau of Investigation.

### **Privacy Act (5 U.S.C. § 552a)**

Any person can request to see or get copies of any personal information that SBA has in his or her file, when that file is retrieved by individual identifiers, such as name or social security numbers. Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act.

Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. Disclosures of name and other personal identifiers are, however, required for a benefit, as SBA requires an individual seeking assistance from SBA to provide it with sufficient information for it to make a character determination. In determining whether an individual is of good character, SBA considers the person's integrity, candor, and disposition toward criminal actions. In making loans pursuant to section 7(a)(6) the Small Business Act (the Act), 15 USC § 636 (a)(6), SBA is required to have reasonable assurance that the loan is of sound value and will be repaid or that it is in the best interest of the Government to grant the assistance requested. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC § 636(a)(1)(B). Further, for all forms of assistance, SBA is authorized to make all investigations necessary to ensure that a person has not engaged in acts that violate or will violate the Act or the Small Business Investment Act, 15 USC §§ 634(b)(11) and 687b(a). For these purposes, you are asked to voluntarily provide your social security number to assist SBA in making a character determination and to distinguish you from other individuals with the same or similar name or other personal identifier.

When the information collected on this form indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature, SBA may refer it to the appropriate agency, whether Federal, State, local, or foreign, charged with responsibility for or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. See 74 Fed. Reg. 14890 (2009) for other published routine uses.



OMB APPROVAL NO. 3245-0188  
EXPIRATION DATE: 11/30/2004

**PERSONAL FINANCIAL STATEMENT**

U.S. SMALL BUSINESS ADMINISTRATION

As of \_\_\_\_\_, \_\_\_\_\_

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock, or (4) any person or entity providing a guaranty on the loan.

Name	Business Phone
Residence Address	Residence Phone
City, State, & Zip Code	
Business Name of Applicant/Borrower	

ASSETS	(Omit Cents)	LIABILITIES	(Omit Cents)
Cash on hand & in Banks .....	\$ _____	Accounts Payable .....	\$ _____
Savings Accounts .....	\$ _____	Notes Payable to Banks and Others .....	\$ _____
IRA or Other Retirement Account .....	\$ _____	(Describe in Section 2)	
Accounts & Notes Receivable .....	\$ _____	Installment Account (Auto) .....	\$ _____
Life Insurance-Cash Surrender Value Only .....	\$ _____	Mo. Payments \$ _____	
(Complete Section 8)		Installment Account (Other) .....	\$ _____
Stocks and Bonds .....	\$ _____	Mo. Payments \$ _____	
(Describe in Section 3)		Loan on Life Insurance .....	\$ _____
Real Estate .....	\$ _____	Mortgages on Real Estate .....	\$ _____
(Describe in Section 4)		(Describe in Section 4)	
Automobile-Present Value .....	\$ _____	Unpaid Taxes .....	\$ _____
Other Personal Property .....	\$ _____	(Describe in Section 6)	
(Describe in Section 5)		Other Liabilities .....	\$ _____
Other Assets .....	\$ _____	(Describe in Section 7)	
(Describe in Section 5)		Total Liabilities .....	\$ _____
<b>Total</b>	\$ _____	Net Worth .....	\$ _____
		<b>Total</b>	\$ _____

Section 1. Source of Income	Contingent Liabilities
Salary .....	As Endorser or Co-Maker .....
Net Investment Income .....	Legal Claims & Judgments .....
Real Estate Income .....	Provision for Federal Income Tax .....
Other Income (Describe below)* .....	Other Special Debt .....

Description of Other Income in Section 1.

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\*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

<b>Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).</b>					
Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value
<b>Section 4. Real Estate Owned.</b> (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)					
	Property A	Property B	Property C		
Type of Property					
Address					
Date Purchased					
Original Cost					
Present Market Value					
Name & Address of Mortgage Holder					
Mortgage Account Number					
Mortgage Balance					
Amount of Payment per Month/Year					
Status of Mortgage					
<b>Section 5. Other Personal Property and Other Assets.</b> (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency)					
<b>Section 6. Unpaid Taxes.</b> (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)					
<b>Section 7. Other Liabilities.</b> (Describe in detail.)					
<b>Section 8. Life Insurance Held.</b> (Give face amount and cash surrender value of policies - name of insurance company and beneficiaries)					
I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).					
Signature:		Date:	Social Security Number:		
Signature:		Date:	Social Security Number:		
PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance Officer, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. <b>PLEASE DO NOT SEND FORMS TO OMB.</b>					

## Personal Cash Flow Statement

	Prior Year	Current Year Estimates
<b><u>Sources of Cash</u></b>		
Salaries, commissions, bonuses, or other income from employment (gross)	\$ _____.	\$ _____.
Rents received	\$ _____.	\$ _____.
Bonuses/Dividends	\$ _____.	\$ _____.
Interest Income	\$ _____.	\$ _____.
Sale of Assets	\$ _____.	\$ _____.
Royalties	\$ _____.	\$ _____.
Distributions from estates and trusts	\$ _____.	\$ _____.
Cash distributions from businesses, partnerships, or joint ventures	\$ _____.	\$ _____.
Income tax refund	\$ _____.	\$ _____.
Other sources of cash	\$ _____.	\$ _____.
<b>TOTAL CASH RECEIVED</b>	<b>\$ _____.</b>	<b>\$ _____.</b>
<b><u>Uses of Cash</u></b>		
Personal expenses (utilities, household)	\$ _____.	\$ _____.
Mortgage Payable on homestead—principal and interest	\$ _____.	\$ _____.
Other real estate mortgage payable—principal and interest	\$ _____.	\$ _____.
Other bank loans—principal and interest	\$ _____.	\$ _____.
Other loans—principal and interest	\$ _____.	\$ _____.
Insurance payments	\$ _____.	\$ _____.
Income taxes—estimated	\$ _____.	\$ _____.
Other uses of cash	\$ _____.	\$ _____.
<b>TOTAL CASH OUTLAY</b>	<b>\$ _____.</b>	<b>\$ _____.</b>
<b>CASH FLOW SURPLUS (DEFICIT)*</b>	<b>\$ _____.</b>	<b>\$ _____.</b>

\*If a cash flow deficit exists, explain below how the existing or requested debt will be serviced.

Signature:

Date:

\_\_\_\_\_

\_\_\_\_\_

Signature:

Date:

\_\_\_\_\_

\_\_\_\_\_

Source of Capital Injection

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**NOTE: Before a loan application can be processed, it is necessary to establish the source and present location of the funds intended to be invested in a business.**

Source of Funds	Amount of Funds
1. Cash on Hand	\$ _____
2. Retirement Account* *Please provide a copy of your most recent statement	\$ _____
3. Finance obtained by Additional Mortgage	\$ _____
4. Sale of Assets**	\$ _____
5. Business Assets (already obtained)** being transferred to business	\$ _____
6. Loan from Family Member	\$ _____
7. Loan (from other source)	\$ _____
9. Other**	\$ _____
Total Capital Investment	\$ _____

\*\*Please provide further explanation.

Signature: \_\_\_\_\_ Date \_\_\_\_\_

Signature: \_\_\_\_\_ Date \_\_\_\_\_

**Listing of Shareholders/Directors/Corporate Officers**  
*(100% of Ownership Must Be Shown)*

**President**

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Military Service (Dates): \_\_\_\_\_ to \_\_\_\_\_  
 Race: \_\_\_\_\_ Sex: \_\_\_\_\_  
 Percent Ownership in Company: \_\_\_\_\_  
 Social Security Number: \_\_\_\_\_

**Vice President**

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Military Service (Dates): \_\_\_\_\_ to \_\_\_\_\_  
 Race: \_\_\_\_\_ Sex: \_\_\_\_\_  
 Percent Ownership in Company: \_\_\_\_\_  
 Social Security Number: \_\_\_\_\_

**Secretary**

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Military Service (Dates): \_\_\_\_\_ to \_\_\_\_\_  
 Race: \_\_\_\_\_ Sex: \_\_\_\_\_  
 Percent Ownership in Company: \_\_\_\_\_  
 Social Security Number: \_\_\_\_\_

**Treasurer**

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Military Service (Dates): \_\_\_\_\_ to \_\_\_\_\_  
 Race: \_\_\_\_\_ Sex: \_\_\_\_\_  
 Percent Ownership in Company: \_\_\_\_\_  
 Social Security Number: \_\_\_\_\_

**Shareholder**

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Military Service (Dates): \_\_\_\_\_ to \_\_\_\_\_  
 Race: \_\_\_\_\_ Sex: \_\_\_\_\_  
 Percent Ownership in Company: \_\_\_\_\_  
 Social Security Number: \_\_\_\_\_

**Shareholder**

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Military Service (Dates): \_\_\_\_\_ to \_\_\_\_\_  
 Race: \_\_\_\_\_ Sex: \_\_\_\_\_  
 Percent Ownership in Company: \_\_\_\_\_  
 Social Security Number: \_\_\_\_\_

**MANAGEMENT RESUME**

Please fill in all spaces. If an item is not applicable, please indicate as such. You may include additional relevant information on a separate exhibit. SIGN/DATE where indicated.

**PERSONAL INFORMATION**

NAME: \_\_\_\_\_ SS#: \_\_\_\_\_

DATE OF BIRTH: \_\_\_\_\_ PLACE OF BIRTH: \_\_\_\_\_

RESIDENCE TELEPHONE: \_\_\_\_\_ BUSINESS TELEPHONE: \_\_\_\_\_

RESIDENCE ADDRESS: \_\_\_\_\_

FROM: \_\_\_\_\_ TO PRESENT DATE: \_\_\_\_\_

PREVIOUS ADDRESS: \_\_\_\_\_

FROM: \_\_\_\_\_ TO: \_\_\_\_\_

SPOUSE'S NAME: \_\_\_\_\_ SS#: \_\_\_\_\_

ARE YOU EMPLOYED BY THE US GOVERNMENT?  YES  NO AGENCY/POSITION: \_\_\_\_\_

ARE YOU A U.S. CITIZEN?  YES  NO IF NO, GIVE ALIEN REGISTRATION NUMBER: \_\_\_\_\_

**EDUCATION**

<i>HIGH SCHOOL/COLLEGE/TECHNICAL-NAME/LOCATION</i>	<i>DATES ATTENDED</i>	<i>MAJOR</i>	<i>DEGREE/CERT</i>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**MILITARY SERVICE BACKGROUND**

BRANCH OF SERVICE: \_\_\_\_\_ DATES: \_\_\_\_\_ TO \_\_\_\_\_

**WORK EXPERIENCE** LIST CHRONOLOGICALLY BEGINNING WITH PRESENT EMPLOYMENT

COMPANY NAME/LOCATION: \_\_\_\_\_

FROM: \_\_\_\_\_ TO \_\_\_\_\_ TITLE: \_\_\_\_\_

DUTIES: \_\_\_\_\_

COMPANY NAME/LOCATION: \_\_\_\_\_

FROM: \_\_\_\_\_ TO \_\_\_\_\_ TITLE: \_\_\_\_\_

DUTIES: \_\_\_\_\_

COMPANY NAME/LOCATION: \_\_\_\_\_

FROM: \_\_\_\_\_ TO \_\_\_\_\_ TITLE: \_\_\_\_\_

DUTIES: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_



