Instruction Guide

for the

Small Business Administration's Personal Financial Statement (Form 413)

"Your comprehensive step-by-step SBA Form 413 guide"

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Introduction to SBA Form 413

The United States Small Business Administration (SBA) publishes Form 413, the Personal Financial Statement, which is completed by business owners when they apply for SBA services such as loans and certifications like for the 8(a) Business Development Program.

Other federal and state agencies also require various program applicants to submit the SBA Form 413, Personal Financial Statement for businesses seeking Disadvantaged Business Entity (DBE) status as well as other government services.

Getting Started

Each applicant and his or her spouse need to complete a separate Form 413. Before filling in the form, determine which assets are joint assets held by both spouses and which assets are individually owned. In community property states, all assets are considered to be jointly owned by married couples and should be split 50/50 unless otherwise stated in a legal document such as a prenuptial agreement. The following States are community property states:

- Arizona.
- California.
- Idaho.
- Louisiana.
- Nevada.
- New Mexico.
- Texas.
- Washington.
- Wisconsin.

> *"Split the value of all assets 50/50 with your spouse if you live in a community property state."*

Financial Disclosure Requirements

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

Required Financial Information

Before getting started, have all of your financial information available so that you can copy account numbers, current statement balances, addresses of creditors, etc. onto the form. A good rule of thumb is to have all financial information associated with income, debt, and assets such as real estate, IRA's and bank accounts.

Step-by-Step Instructions

Each section of form 413 is addressed in the following paragraphs. Note that the form has been broken into 8 sections, each with detailed information pertaining to each data field. A completed sample form and a blank 413 form are also included as attachments for your convenience.

Contact Information

A **Name and Address**
Enter your full name (First, Middle and Last) as it appears on your Federal tax return.

B **Expiration Date**
Please ensure that you have the latest version of the 413 form. The expiration date of latest version of form 413 as of the publication date of this instruction is August 31, 2011.

C **Date**
Enter the month, day and year that you finish filling in form 413; e.g. December 1, 2008

> *"Complete each field on form 413 or the government reviewers will consider it incomplete."*

D **Phone Numbers**
Enter your business and primary residence phone. If they are the same, enter the same number twice. The government representatives that review your Form 413 will consider it incomplete if ANY fields are left blank.

E **Business Name of Applicant/ Borrower**
Enter the name of your business as it is shown on the latest business federal tax return.