



U.S. SMALL BUSINESS ADMINISTRATION
APPLICATION FOR LOWDOC LOAN

OMB Approval No. 3245-0016
Expiration Date: 09/30/01

A. BORROWER

Please Print Legibly or Type (ALL BLANKS MUST BE COMPLETED, Use "N/A," If Blank is Not Applicable)

Business Name, Trade Name, Type, Address, City, State, County, Zip, Mailing Address, Phone, IRS Tax ID #, Business Bank, Checking Balance \$, Nature of Business, Date Business Established, Date Current Ownership Established, Number of employees, Number of affiliate(s) employees, Total number of employees after Loan, Exporter?, Pre-Qual?, Franchise?

B. LOAN REQUEST

AMOUNT \$, Maturity:, Purpose:, Have you employed anyone to prepare this application? Yes No, Name of Packager, Packager's Tax ID No. or Social Security No.

C. INDEBTEDNESS: Furnish information on ALL BUSINESS debts, contracts, notes and mortgages payable. Indicate by an (*) items to be paid by loan proceeds.

Table with columns: To Whom Payable, Orig. Amount, Orig. Date, Cur. Balance, Int. Rate, Maturity Date, Pmt. Amt., Pmt Frequency, Collateral, Status

D. PRINCIPALS: Submit all information in this section for each principal of the business. Use separate attachments for each principal.

D1 Full Name, Phone, Social Security Number, Title, Address, City, State, Zip, Date of Birth, Place of Birth, U.S. Citizen? Yes No

D2 Percentage Owned, Veteran *, Gender *, Race*, African American, Puerto Rican, Native American, Hispanic, Asian/Pacific Islander, Eskimo & Aleuts, Caucasian, Multi-Ethnic

*This data is collected for statistical purposes only. It has no bearing on the credit decision. Disclosure is voluntary.

D3 PERSONAL FINANCIAL STATEMENT: Complete for all principals with 20% or more ownership.

Liquid Assets \$, Ownership in Business \$, Real Estate \$, Assets Other \$, Total Assets \$, Liabilities Real Estate \$, Liabilities Other \$, Total Liabilities \$, Net Worth (less value of business) \$, Annual Salary \$, Other Source of Repayment \$, Source, Residence: Own Rent Other Mthly Housing \$

D4 PREVIOUS SBA OR OTHER GOVERNMENT FINANCING: For all owners, principals, partners, and affiliates.

Table with columns: Borrower Name, Name of Agency, Loan No., Date, Amount, Balance, Status

D5 ELIGIBILITY AND DISCLOSURES:

- I. Are you or your business involved in any pending lawsuits?
II. Do you or your spouse or any member of your household, or anyone who owns, manages, or directs your business...
III. Affiliates: Do you or the applicant business have any interest in any other business...
IV. Are you: (a) presently under indictment, on parole or probation...
V. I have received and read SBA Form 1261, STATEMENT REQUIRED BY LAW AND EXECUTIVE ORDER.

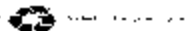
If you knowingly make a false statement or overvalue a security to obtain a guaranteed loan from SBA you can be fined up to \$10,000 and/or imprisoned for not more than five years under 18 U.S.C.1001; if submitted to a Federally insured institution, under 18 USC 1014 by Imprisonment of not more than twenty years and/or a fine of not more than \$1,000,000.

VI. Signature, Date

E. SIGNATURE

I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I agree that if SBA approves this loan application I will not, for at least two years, hire as an employee or consultant anyone that was employed by the SBA during the one year period prior to the disbursement of the loan.

Print Name, Date, Signature, Title, If Corporation, Attested By: Signature of Corporate Secretary



LENDER'S APPLICATION FOR GUARANTEE

F. LENDER

Please Print Legibly or Type **(ALL BLANKS MUST BE COMPLETED, Use "N/A," If Blank is Not Applicable)**

Name of Lender _____ Business Name _____ Applicant SIC Code _____
 Lender's Address _____ City _____ State _____ Zip _____
 Phone _____ Fax _____ 750 Agreement Date _____

G. LOAN TERMS: The following section should be completed exactly as shown in the LowDoc Program Guide.

SBA Guarantee _____ % Loan Amount _____ No. of Mos. to Maturity _____ Payments: P&I or P+I \$ _____ No. of Mos. Interest Only _____
 Initial Interest Rate: Fixed _____ % Variable _____ % Initial spread over WSJ Prime _____ % Adjustment Period: Mthly Qtrly Other _____
 Life Insurance required? Yes No On Whom? _____ How much \$ _____ Stand-by Agreements? Yes No Amount \$ _____
 If Start-Up or Purchasing of Existing Business, Amount of Applicant Injection**: Cash \$ _____ Assets \$ _____ Stand-by Debt \$ _____ Other \$ _____

**Equity in home is not considered injection.

| Use of Proceeds: | | Collateral: | | Market Value | Existing Lien(s)* | | Collateral Value |
|------------------|-----------------------------------|-------------|-------------|--------------|-------------------|---------|------------------|
| Amount | Purpose | Type | Description | | Lien holder | Balance | |
| | Acquire/Renovate Real Property | | | | | | |
| | Acquire Fixed Assets, Non-RE | | | | | | |
| | Impact Current Assets/Liabilities | | | | | | |
| | Refinance SBA Debt* | | | | | | |
| | Refinance Non-SBA Debt* | | | | | | |
| | Purchase Existing Business | | | | | | |
| | Other: _____ | | | | | | |
| | Total | | | | | | |

*If use of proceeds is for debt repayment, Lender must retain copies of refinanced notes. If for participant bank, debt refinancing may **not exceed 25%** of total loan amount.

H. FINANCIAL STATEMENTS: (Balance Sheet and Current Income Statement must be of the same period)

| BALANCE SHEET | | | | INCOME STATEMENT | | | |
|------------------------------------|----------------------------------|-----------------------------------|---------------|-------------------------------|----------|---------|-----------|
| <input type="checkbox"/> Pro Forma | <input type="checkbox"/> Interim | <input type="checkbox"/> Year End | (As of _____) | No. of Interim Mos. _____ | Prior FY | Current | Projected |
| ASSETS | | LIABILITIES | | Date | | | |
| Cash Equivalent _____ | | Notes Payable _____ | | a) Net Sales/Revenue | _____ | _____ | _____ |
| Net Trade Rec. _____ | | Trade Payable _____ | | b) Cost of Sales | _____ | _____ | _____ |
| Inventory _____ | | Current LTD _____ | | c) Gross Profit | _____ | _____ | _____ |
| Other Curr. Assets _____ | | Other Curr. Liab. _____ | | d) Owner Comp/Drawings | _____ | _____ | _____ |
| Total Curr. Assets _____ | | Total Curr. Liab. _____ | | e) Rent (if applicable) | _____ | _____ | _____ |
| Net Fixed Assets _____ | | Long Term Debt _____ | | f) Depreciation/Amortization | _____ | _____ | _____ |
| Other Assets _____ | | Other Liabilities _____ | | g) Longterm Debt Int. Exp. | _____ | _____ | _____ |
| Total Assets _____ | | Total Liabilities _____ | | h) General & Other Exp. | ===== | ===== | ===== |
| | | | | i) Net Income after "d" above | _____ | _____ | _____ |
| | | Tangible Net Worth* _____ | | A) Cash Flow (f+g+i) | _____ | _____ | _____ |
| | | *Including Stand-by debt | | B) Total Debt P & I | _____ | _____ | _____ |
| | | | | Debt Coverage Ratio (A/B) | _____ | _____ | _____ |

I. LENDERS COMMENTS: (Comment on Management's character, and the business' financial strength and repayment ability, including forecast.)

Business Start-Ups and Purchases: Lender MUST comment on management qualifications, location, competitive factors and feasibility of business plan.

J. ELIGIBILITY EVALUATION: Refer to program guide. If you have any eligibility questions, please contact the LowDoc Processing Center before submitting an application.

Eligibility Evaluation: To the best of your ability, have you determined that the Borrower meets SBA eligibility requirements as outlined in the "LowDoc Program Guide" and the "Eligibility Checklist?" Yes No (Please note, by law, SBA cannot guarantee ineligible loans.)

I submit this application to SBA for approval subject to the terms and conditions outlined above. Without the participation of SBA to the extent applied for we would not be willing to make this loan, and in our opinion the financial assistance applied for is not otherwise available on reasonable terms. I certify that none of the Lender's employees, officers, directors, or substantial stockholders (more than 10%) have financial interest in the applicant. I also certify that our institution has at least 20 qualified commercial loans outstanding demonstrating our significant experience lending to small business concerns.

Lender Officer (Print Name) _____
 Signature of Lender Officer _____ Title _____ Date _____

U.S. SMALL BUSINESS ADMINISTRATION
INSTRUCTIONS FOR APPLICANT ON HOW TO COMPLETE THE SBALOWDOC APPLICATION

The following directions provide assistance in completing the SBALowDoc application. Each numbered section in this guide corresponds to the same number on the SBALowDoc application. Please type or print legibly. **SBALowDoc uses a credit scoring system, thus ALL application entries must be completed or use "N/A" if blank does not apply.** If necessary, use separate sheets of paper for additional answers to each section.

SECTION A: BORROWER

1. Business Name - Legal name of the entity applying for SBALowDoc loan.
2. Trade Name - The operating name, if different from business name.
3. Type - Legal organizational structure of the business.
4. Address - Street address of business.
5. City, State, County, Zip - City, state, county and zip of the business.
6. Mailing Address (if different from street address).
7. Phone - Telephone number, including area code of the business.
8. IRS Tax ID # - The business employer I.D. number assigned by the IRS, or the owner's social security number. Please do not use "Pending" on this line.
9. Business Bank - Financial Institution business is currently using for checking and/or loans.
10. Checking Balance - Current amount business has in checking account.
11. Nature of Business - Examples dairy farm, manufacture tires, wholesale shoes, retail toys, lawyer, etc.
12. Date Business Established - The original date the business was started.
13. Date Current Ownership Established - The date of **the most recent change** in ownership. This includes the date that the current owners acquired or purchased this business or the date of any change in the percentages of ownership of the current owners.
14. # of employees - Number of full and part-time employees on payroll for each pay period for the last 12 months averaged by the number of pay periods.
15. # of affiliate(s) employees - Please note that affiliates are defined as businesses that have common ownership, common management, or contractual relationships that give one control over the other. Calculate same as #14.
16. After the Loan - Anticipated number of employees the business will employ within two years from the date of the loan.
17. Exporter - Mark appropriate box if business exports any product or service.
18. Pre-Qual - Mark appropriate box if Pre-Qualification service used.
19. Franchise - Mark appropriate box if business is a franchise.
20. Franchise name - If business is a franchise.

SECTION B: LOAN REQUEST (Total all SBA debt, including this application, and excluding disaster loans, cannot exceed \$150,000)

1. Amount - Total amount of loan requested by borrower.
2. Maturity - Number of months or years until loan is to be repaid.
3. Purpose - Briefly explain how the loan will be used.
4. Have you employed anyone to prepare this application? - Check appropriate box, amount paid, name of packager, Social Security number or Tax I.D. number of packager.

SECTION C: INDEBTEDNESS - Please provide the requested information on all business debts. NO personal debts should be listed in these blocks unless said debts were used for business purposes. Add an additional sheet if necessary. Provide the number of scheduled payments in a 12-month period or other terms, if appropriate, to report "Pmt. Frequency".

SECTION D: PRINCIPALS Complete this section for each principal. Section D can be photocopied for this purpose. **Account for 100 percent of ownership. Principal includes:** 1) the owner of a sole proprietorship; 2) each partner of a partnership; 3) each officer, director, and holder of voting stock of a corporation or a limited liability company; 4) any other person, including a hired manager, who has authority to speak for and commit the borrower in the management of the business. Non-owner officers and directors and officers owning less than 20 percent complete only parts 1,4, and 5.

Please Note: The estimated burden for completing this form is 19.8 hours per response. You will not be required to respond to collection of information unless it displays a currently valid OMB approval number. Comments on the burden should be sent to the U.S. Small Business Administration, Chief, AIB, 409 3rd Street, S.W., Washington, D.C. 20416 and Desk Office for Small Business Administration, office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C. 20503. **OMB Approval (3245-0016). PLEASE DO NOT SEND FORMS TO OMB.**

D-1

1. Name - Full legal name.
2. Phone - Home telephone number including the area code.
3. Social Security Number - nine digit numeric.
4. Title - Position held in the business (i.e., President, Partner, etc.).
5. Address - Street, city, state, county, and zip of home address.
6. Date of Birth - Month, day, year.
7. Place of Birth - Where borrower was born, by city and state (or city and Foreign Country).
8. U.S. Citizen? - Check the proper box.
9. If No, Alien #. - If borrower is not a citizen, SBA must have the borrower's registration number.

D-2

1. % Owned – The percentage ownership of each owner. (The total of all must equal 100 Percent).
2. Please check appropriate boxes in this section.

D-3 Personal Financial Statement

1. Liquid Assets - Include liquid assets such as checking, savings, money markets, certificate of deposits, bonds, stocks (publicly traded), cash value of life insurance, and marketable securities. **Do not** include individual retirement accounts, and similar assets.
2. Ownership in Business - Value of ownership in the applicant business.
3. Real Estate - Market value of all real estate owned.
4. Assets Other - Any assets not otherwise listed.
5. Total Assets - Total value of all assets in numbers 1, 2, 3 and 4 of this section, D-3.
6. Liabilities Real Estate - Total of all debt/mortgages on real estate owned.
7. Other Liabilities - Total of all debt excluding real estate debt.
8. Total Liabilities - Total of all liabilities in numbers 6 and 7 of this section, D-3.
9. Net Worth - Difference between total assets, number 5, and total liabilities, number 8.
10. Annual Salary - From the applicant business.
11. Other Sources of Repayment - A Lender or SBA may rely upon a source of cash flow other than from operations of the small business borrower for repayment. That source must be available to the principal(s) on a consistent basis in an amount that sufficiently exceeds the individual's personal needs to permit orderly repayment of the loan over a reasonable period of time.
12. Source - Of other Source of Repayment in number 11.
13. Residence Rent/Own/Other - Indicate if current residence is owned, rented, or other (example, live with relatives).
14. Monthly Housing - Monthly mortgage or rent payment of residence.

D-4 - Past or present SBA or Other Government Financing-

1. Please complete for all principals. Financial Institution, Agency, Loan No., Date, Amount, Balance, and Status. (Outstanding, applied for, paid in full, and any other status.)

D-5 -Eligibility and Disclosures (IMPORTANT, only one signature is allowed in this section. USE SEPARATE SHEET FOR EACH PRINCIPAL)

Mark appropriate boxes, sign and date.

U.S. SMALL BUSINESS ADMINISTRATION

INSTRUCTIONS FOR APPLICANT ON HOW TO COMPLETE THE SBALowDOC APPLICATION

The following directions provide assistance in completing the SBALowDoc application. Each section corresponds to the same section on the LowDoc application. If a particular section or entry is not specified in this guide, special directions are required to complete that entry. You may find it helpful to refer to the LowDoc Program Guide if there are no credit policy questions. If necessary, use separate sheets of paper for additional answers to each section. **ALL BLANKS MUST BE COMPLETED - USE N/A IF "Blank" DOES NOT APPLY.**

SECTION F: LENDER - If you do not have the date of the latest 750 agreement, please call your SBA District/Branch Office and they will provide you with this information. The appropriate SBA District/Branch Office is based on location of business.

1. Name of Lender - Financial Institution.
2. Business Name - Applicant.
3. Applicant SIC Code - As listed in the Standard Industrial Classification Manual.
4. Lender's Address - Address of Financial Institution ****IMPORTANT**** Must be street address, all loans documents are shipped FEDEX. FEDEX will not deliver to a Post Office Box.
5. Telephone - Lender's Telephone Number, including area code.
6. Fax - Lender's Fax Number, including area code.
7. 750 Date - Date of SBA Guaranty Agreement.

SECTION G: LOAN TERMS - Please complete this section as completely and accurately as possible. The Authorization for Loan Guarantee will usually be based on the terms and conditions provided, but SBA reserves the right to amend them. Any changes will be discussed prior to approval by SBA. Accuracy and completeness will expedite loan closings.

1. SBA Guarantee % - Percentage of SBA Guarantee, maximum 80 percent.
2. Loan Amount - Amount Lender has approved.
3. No. of Months to maturity - Loan maturity in months including interest only payments.
4. Payments- Mark the appropriate box if payments are principal and interest or principal plus accrued interest; enter payment. If you are asking for payments other than monthly, please indicate.
5. No. of Months Interest Only - Only if repayment terms have an interest only period.
6. Initial Interest Rate - Interest rate of the loan at closing and whether it will be fixed or variable.
7. Spread - If interest rate is variable, indicate the spread over the Wall Street Journal Prime Rate. If the adjustment period is other than monthly or quarterly, please check "Other" and indicate the frequency.
8. Life Insurance - Are you requiring principal to obtain and in what amount?
9. Standby Agreement - Who will be executing the standby and in what amount?
10. If Start-Up or Purchase of Existing Amount - Indicate nature of the source by entering the amount of the injection by the appropriate category. "Cash" is money reported on a personal financial statement. "Assets" are those assets reported on a personal financial statement. "Stand-by Debt" is any obligation which will be placed on stand-by. "Other" includes gifts, inheritances and other sources not already mentioned.

Use of Proceeds

Amount and Purpose - "Fixed Assets" includes all fixed assets financed other than real estate, such as vehicles, equipment, furniture and fixtures. "Impact Current Assets/Liability" is amount for inventory and working capital. If "Debt Payment applies, enter name and amount in space provided on application. Refinancing of participant bank debt is limited to 25 percent of loan request. "Other" include the balance of assets financed that are not specified elsewhere, such as working capital, goodwill, leasehold improvements. If the purpose of loan is to purchase a business in entirety, use "purchase of business." If only assets of business are being purchased use of proceeds should be itemized by asset category. .

Collateral

1. Type - Enter the code for type of collateral securing loan: RE-real estate, FF-furniture & fixtures, EQP-equipment; or INV-inventory, etc.
2. Description - Briefly describe collateral (e.g., location of real estate, type of equipment, or description of inventory).
3. Market Value - Should be the lender's assessment of the current market value of collateral. (Please note that market value should be based on prudent lending standards and values should be supported by appropriate documentation.)
4. Existing Lien(s) - If collateral is has existing lien(s), enter the lienholder name and balance outstanding on each. (Please note: enter original amount if real estate mortgage/deed of trust is open-ended.)
5. Collateral Value - Should be the lender's assessment of the collateral's liquidation value net of existing lien(s).

SECTION H: FINANCIAL STATEMENTS

Balance Sheet - this section is a summary of the business' balance sheet. If the businesses is a start-up, enter a pro forma balance sheet, after application of loan proceeds. (Use **Pro Forma only if startup**).

1. As of _____ - Date of the most recent fiscal year statements if within the last three months, or the date of the most recent interim statements if not more than 90 days old at the time SGA receives the application if previous fiscal year statements are over three months old (Note: the date of the Balance Sheet should correspond with the date of the Current Period in the Income Statement section and the date of personal financial statements).
2. Total Current Assets - Should equal the total of Cash Equivalent, Net Trade Receivable, Inventory, and Other Current Assets. Net Trade Receivables means after deduction of receivables which are unlikely to be collected.
3. Total Assets - Must equal the total of Total Current Assets, Net Fixed Assets, and Other Assets.
4. Total Current Liabilities - Should equal the total of Notes, Trade Payables, Current Portion of Long-Term Debt (Current LTD), and Other Current Liabilities.
5. Total Liabilities - Should equal the total of Total Current Liabilities, Long Term Debt, and Other Liabilities.
6. Tangible Net Worth - Net worth after deducting all intangible assets.

Income Statement - This section is a summary of the business' previous, current and projected cash flow statement. If business is a start-up, enter two years of pro forma data in the "Current" and "Projected" columns.

7. Prior FY - For period of last full fiscal year.
8. Current - Must be for the same period as the Balance Sheet Statement.
9. Projected - Over the next 12 months.
10. Rent (if applicable) - Discontinued rent due to purchase of asset(s) with loan proceeds.
11. Cash Flow - Must equal to the total of the Rent (if this expense is being eliminated), Depreciation/Amortization, Annual Interest Expense on Long Term Debt, and Net Income. (In comments, address whether the depreciation is really available for debt service on the basis of when the depreciable asset will need to be replaced.)
12. Term Debt P&I - For the Current period, enter the total of all term debt payments including principal and interest. For the projected period, enter the total of all term debt payments for the 12-month period, include the new *SBALowDoc* loan.

SECTION I: LENDER COMMENTS - Lender's analysis of applicant's character, management abilities, financial condition of business, and repayment ability. Also any other comments you feel necessary including whether projections are realistic. Business start-ups and purchases must discuss the amount and nature of the injection of the principal(s) into the business. Lender's comments must also address whether the projections are reasonable and attainable on the basis of the applicant's capacity.

SECTION J: ELIGIBILITY - Use the *SBALowDoc* Eligibility Checklist to assist in making and documenting the determination of the applicant's eligibility. Please keep justification for this determination in applicant's file.

PLEASE READ DETACH AND RETAIN FOR YOUR RECORDS

STATEMENTS REQUIRED BY LAW AND EXECUTIVE ORDER

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.

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 of 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.

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.

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.

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.

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.

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.

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.