

SBA 504

LOAN APPLICATION



504 Loan Application Contents

Document Checklist	3
Disclosure Statement	5
Business Information	14
Project Information	16
Borrower Information	17
Personal Financial Statement (SBA Form 413)	18
Tax Transcript Verification (IRS Form 4506-T)	24
Statements Required by Law (SBA Form 1244, Section XIX)	26
Statements Required by Law (SBA Form 1244, Part C)	27

For nearly 30 years Colorado Lending Source has been helping small businesses grow in Colorado.

504 Loan Application Document Checklist

Business Related Documents

Description

<input type="checkbox"/>	BUSINESS YEAR END FINANCIAL STATEMENTS	For the last two years, including Profit and Loss and Balance Sheets for all existing businesses involved with the application.
<input type="checkbox"/>	BUSINESS INTERIM FINANCIAL STATEMENTS	For all existing businesses involved with this application, dated within 120 days.
<input type="checkbox"/>	PROJECTIONS	If the business is less than two years old, please provide projections on a month-by-month basis for the next two years.
<input type="checkbox"/>	BUSINESS TAX RETURNS	Full copies of the last three tax returns for all existing businesses involved with this application. Please sign and date the bottom of the first page of each of tax returns.
<input type="checkbox"/>	AFFILIATE BUSINESS TAX RETURNS AND FINANCIAL STATEMENTS	Copies of the last two tax returns plus an interim financial statement dated with 120 days for all affiliated businesses (if applicable). Please sign and date the bottom of the first page of each of tax returns.
<input type="checkbox"/>	BUSINESS HISTORY	Information on the history of the business and key principals/managers. Please provide a business plan if your business is less than two years old.
<input type="checkbox"/>	ORGANIZATIONAL DOCUMENTS	Copies for any businesses involved with this application. Includes bylaws, articles of incorporation, operating agreements, partnership agreements, etc.
<input type="checkbox"/>	LEASE DOCUMENTS	Includes leases with any existing tenants in the building, or proposed tenants in the building being acquired.
<input type="checkbox"/>	PREVIOUS SBA FINANCING DOCUMENTS	Including copies of loan documents, deeds of trust, notes, etc. (if applicable).

Business Related Documents (Circumstantial)

Description

<input type="checkbox"/>	TO REFINANCE ELIGIBLE DEBT	Copies of existing notes plus transcripts showing payment history.
<input type="checkbox"/>	IF YOUR BUSINESS IS A FRANCHISE	Copy of Franchise Disclosure Document “FDD,” and a copy of the fully executed franchise agreement.

Project Related Documents

Description

<input type="checkbox"/>	COST DOCUMENTS	Copies of all project cost documents, including real estate contracts, renovation quotes, construction bids, equipment quotes, copies of notes to be refinanced, etc.
<input type="checkbox"/>	ENVIRONMENTAL REPORTS	Copies of existing environmental reports or appraisals on the property.
<input type="checkbox"/>	BANK COMMITMENT LETTER	Indicates the bank/lender’s willingness to partner with Colorado Lending Source to provide the requested financing. This letter should certify that the desired credit is unavailable to the business applicant on reasonable terms and conditions from non-Federal sources without the assistance of the 504 loan program and why.
<input type="checkbox"/>	PREVIOUS SBA FINANCING DOCUMENTS	Including copies of loan documents, deeds of trust, notes, etc. (if applicable).

504 Loan Application Document Checklist Continued

Borrower Related Documents

Description

<input type="checkbox"/>	PERSONAL TAX RETURNS	Full copies of the last three personal tax returns for every individual owning 20% or more of any of the businesses involved with this application. Please sign and date the bottom of the first page of each of tax returns.
<input type="checkbox"/>	DRIVER'S LICENSE	Copies of driver's license or other acceptable government-issued form of identification for every individual owning 20% or more of any of the businesses involved with this application.
<input type="checkbox"/>	LEGAL PERMANENT RESIDENTS	Provide a legible copy of documentation (front and back) evidencing resident status.

In-Application Documents

Description

<input type="checkbox"/>	LOAN DISCLOSURE STATEMENT	Signature required at end.	5
<input type="checkbox"/>	AGING ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE REPORT	Aging at the same date as the business interim financial statement.	15
<input type="checkbox"/>	FINANCIAL PROJECT INFORMATION	Debt Schedules and Projected Profit and Loss numbers for the next two years. You may attach your own projections separately.	15
<input type="checkbox"/>	PERSONAL FINANCIAL STATEMENT (SBA FORM 413)	Every individual owning 20% or more of any of the entities involved with this application must provide a personal financial statement dated within 90 days. Spouses completing a joint personal financial statement must BOTH sign the form or alternatively submit separate statements.	18
<input type="checkbox"/>	TAX TRANSCRIPT VERIFICATION (IRS FORM 4506-T)	For every existing business involved with this application. This IRS form, required by law, verifies that individual business tax returns on file with the IRS match copies of the tax returns provided with this application.	23
<input type="checkbox"/>	STATEMENTS REQUIRED BY LAW (SBA FORM 1244, SECTION XIX)	Separate forms must be completed for every individual owning 20% or more of the business, including all officers, directors, and key employees. Boxes 1, 2, 3, and 7 must be initialed by hand.	25
<input type="checkbox"/>	STATEMENTS REQUIRED BY LAW (SBA FORM 1244, PART C)	Signature required at end.	26

Colorado Lending Source Disclosure Statement

A summary of the Small Business Administration 504 Loan Program

The 504 LOAN Program

THE 504 LOAN PROGRAM

The US Small Business Administration's (SBA) 504 loan program offers eligible small businesses a way to help finance expansion using long-term, fixed-rate financing. A 504 loan, offered in partnership with a regular loan from a participating private sector lending institution, is able to provide a business with up to 90% of a project's total financing requirements.

The SBA relies on the services of a "certified development company" like Colorado Lending Source to package, close, fund and service 504 loans. Colorado Lending Source provides small businesses with access to the 504 loan program throughout the state of Colorado. This Disclosure Statement highlights routinely encountered rules associated with the 504 loan program and is intended for informational purposes only. It is not meant to be a complete listing of all relevant policies and requirements. Please visit www.ColoradoLendingSource.org or sign up for our e-mail list (also available on our website) to view or receive up-to-date program news.

1. NO REPRESENTATIONS

The funding of a 504 loan is subject to satisfactory compliance with the terms and conditions set forth in a loan commitment document known as the SBA's Authorization for Debenture Guarantee. By signing this Disclosure Statement, a small business applicant acknowledges that he/she has not relied upon any representation made by Colorado Lending Source and/or its agents, and that Colorado Lending Source and/or its agents have made no representations or promises to the applicant and its agents regarding a formal Colorado Lending Source or SBA approval of a loan or of qualifications to receive a loan through the 504 loan program.

2. OBJECTIVE OF THE 504 LOAN PROGRAM

The 504 loan program was created by Congress in 1986 as an economic development financing tool to promote both job creation and wealth creation by encouraging businesses to acquire ownership of commercial real estate and other fixed assets utilized in the day-to-day operation of that small business. The overall objective of the 504 loan program is twofold.

First, the program is intended to encourage eligible businesses to invest in real estate or capital equipment

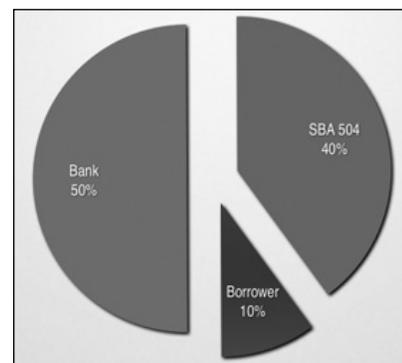
primarily used by that business. It does this by offering attractive, long-term, below-market-fixed-rate financing with typically less money down than under a conventional financing scenario. This encourages eligible small businesses to acquire real estate and capital equipment sooner rather than later in order to begin to build wealth and equity for their firms which could be utilized for future expansion financing or even as a retirement or exit strategy for the business principals.

Secondly and arguably more importantly in the current economy, the 504 program is designed to mitigate private sector risk by providing junior financing behind a conventional commercial loan. On a typical project, a private sector lender will finance 50% of the project cost which makes a 504 loan project a much more appealing project for most lenders because the majority of the risk falls on the 504 loan. In the event of a default or foreclosure, the only way that the 504 program will recover the money owed to it will be to pay off the private sector loan that sits in the "senior" position on the fixed assets that have been financed with loan proceeds.

3. HOW THE SBA 504 PROGRAM WORKS

The 504 loan program is a unique example of a private/public sector financing program. A 504 loan is a second deed of trust/second mortgage loan that sits behind a conventional private sector (but not a seller) loan. Typically, the private sector lender will finance 50% of the project cost and the 504 loan will finance up to 40% of the project cost. The borrower will have at least 10% at risk in the project and end up with two loans and two loan payments as a result of the financing structure.

Typical 504 Loan Structure



While 40%, up to a defined dollar amount, is the maximum 504 share of the project, this percentage will be less if the borrower is a start up business or if the property being financed is a special purpose or limited use property:

- If a small business has been in operation for two years or less, it must invest a minimum 15% share of the eligible project costs, reducing the 504 participation to a maximum of 35% of the total project costs.
- If a project involves a special purpose or limited use structure (like a gas station, car wash, hotel, etc.), an eligible small business must invest a minimum 15% share of the eligible projects costs, reducing the 504 participation to a maximum of 35% of the total project costs.
- If the project involves BOTH a start-up business and a special purpose or limited use building, a small business must invest a minimum 20% share of the eligible projects costs, reducing the 504 participation to a maximum of 30% of the total project costs.

4. TWO STAGE PROCESS

There are two distinct stages involved with securing financing under the 504 loan program:

- An “application” (the basis of this information package) which is used to generate a loan approval, and,
- A “funding” which occurs once all the collateral conditions that were part of the approval have been met.

The funding of a 504 loan will only occur once a project is complete and all the final costs fully disbursed. This requires a partner private sector lender to provide a short-term bridge or construction loan equivalent to the 504 share of the project while documents are prepared and submitted to the bond market in New York (the source of 504 proceeds) for the actual 504 loan funding.

5. APPROVAL PROCESS

In order to begin the application process, the following information is required:

- Completed 504 application, including execution of this Disclosure Statement
- Completed personal financial statement for any owner owning 10% or more of business
- Most recent business tax return and current year interim financial statements OR two years of projections with written assumptions if business is less than two years old
- Written business history (existing business) or business plan (new business)

Please keep in mind the above is not a comprehensive list of all information required to allow for a loan decision to be made. For a complete list of all information required to complete most 504 applications, please refer to the 504 Loan Program Document Checklist.

6. INTEREST RATES

As the partner certified development company associated with processing, approving and funding a 504 loan, Colorado Lending Source will facilitate the sale of a “debenture” (a bond) to provide the 504 financing share of an approved project.

Individual requests for financing under the 504 loan program are aggregated each month into a single pool that may contain between 300 and 500 loan requests from all across the United States. This pool becomes an individual debenture which receives the full faith and backing of the US Government and is then offered to institutional investors. A 504 loan pool is sold once a month on the New York market. At the time of sale, a FIXED Interest Rate will be assigned to that debenture pool and stays with the individual loans included in that pool, for the life of the loan or until that loan is paid off.

It is important to remember that the 504 interest rate cannot be set for a borrower until their loan request has been included in a specific debenture offering, which is then subsequently sold and funded. So, unlike the private sector lender loan in the senior position on a 504 project, a borrower won’t actually know what their final 504 interest rate will be until the 504 debenture funds.

7. FEES AND COSTS

The 504 loan program is intended to be a taxpayer-neutral program in the sense that minimal and hopefully no taxpayer dollars are used to maintain the program. Borrowers pay fees to secure their 504 loans (in the same way that banks charge borrowers fees) and these fees ensure that the program remains largely independent of taxpayer subsidization. The majority of the fees associated with the 504 program are defined by statute as part of the federal budgeting process that occurs each year.

Generally speaking, there are two broad categories of fees associated with securing a 504 loan, and these are separate and independent of any fees a partner bank or other private sector lender might charge for their loan. There are one-time 504 loan program fees, usually built into the 504 loan, and there are fees built into the interest rate a borrower pays when a 504 loan funds.

ONE TIME FEES ASSOCIATED WITH ORIGINATING, CLOSING & FUNDING A 504 LOAN

- Funding Fee: 0.25%**
 This fee, paid to the fiscal agent in New York who assembles the monthly 504 debenture pool, is a percentage of the 504 share of the financing and must be financed as part of the 504 debenture.
- Guaranty Fee: 0.50%**
 This fee, paid directly to the SBA, is a percentage of the 504 share of the financing and must be financed as part of the 504 debenture.
- Processing Fee: 1.50%**
 This fee, paid to Colorado Lending Source, is a percentage of the 504 share of the financing and can either be financed as part of the 504 debenture or paid for separately by the borrower, out-of-pocket. For loans with a Gross Debenture of \$2,000,000 or more, 1% of the processing fee charged against the net debenture, will be collected at the time of SBA loan approval. The payment will be due within 10 business days of the authorization and will be non-refundable.
- Closing Fee: \$2,500**
 This fee is a flat fee charged to reimburse attorney and other closing costs specific to Colorado Lending Source and can either be financed as part of the 504 debenture or paid separately by the borrower out-of-pocket.
- Other Fees, varying with loan size.**
 Title insurance, miscellaneous recording fees, and other minor out-of-pocket fees are a function of every commercial real estate transaction. These costs can either be financed as part of the 504 debenture or paid for separately by the borrower, out-of-pocket.
- Underwriter's Fee: 0.400% (20 year 504 loans)
0.375% (10 year 504 loans)**
 This fee, paid to the underwriting firm in New York who markets and sells the monthly 504 debenture, is a percentage of the actual 504 loan (not the 504 share of the financing) and must be financed as part of the 504 debenture.
- Balance to Borrower**
 This will actually be a reimbursement to the borrower of an amount between \$1 and \$999. When a 504 loan funds, the percentage of the 504 share of the financing plus all the above fees, is the amount that

will actually be financed. Whatever this adds to will be rounded up to the next even thousand dollars because the bond market will only work with loan amounts in even thousand dollar amounts. The difference between this rounded number and the actual number will be reimbursed to the borrower by check soon after the debenture funds in New York.

- Bank Participation Fee: 0.50%**
 This fee, paid to and collected by the partner private sector lender, is a percentage of that lender's share of the financing project. This fee is collected in addition to any other origination fees or points charged by that lender to the borrower. The small business will be responsible for paying this fee and any other origination fees a partner lender charges on its permanent first deed of trust position loan outside the 504 loan project. Bank participation fees and bank origination fees associated with the permanent senior loan may not be included in the total project cost calculation for determining relative financing shares under a 504 project.

504 Loan Project Example

Use of Proceeds

Purchase land & building	\$850,000
Renovations	\$100,000
Buy machinery & equipment	\$40,000
Professional Fees	\$10,000
TOTAL PROJECT COST	\$1,000,000

504 Financing Structure

Bank's Conventional Loan	50%	\$500,000
Net 504 Loan Proceeds	40%	\$400,000
Borrower's Contribution	10%	\$100,000

504 Loan Program Fees

Net 504 Loan Proceeds		\$400,000
Fiscal Agent Fee	0.25%	\$1,000
SBA Guaranty Fee	0.50%	\$2,000
CDC Processing Fee	1.50%	\$6,000
Closing Fee (example)	set	\$2,500
Other Fees (title, etc.)	varies	\$1,450
Debenture Underwriting Fee*	0.40%	\$1,650
TOTAL Net 504 Loan +Fees		\$414,600
ACTUAL 504 Loan (rounded up)		\$415,000
Balance returned to borrower		\$400

**The Underwriting fee is a percentage of the Actual 504 loan*

FEES INCLUDED IN THE 504 LOAN PROGRAM EFFECTIVE INTEREST RATE

The interest rate a borrower pays under the 504 loan program is a function of the underlying cost of the debenture sold to fund that individual 504 loan ("debenture note rate") plus three additional fees that ensure the 504 program remains relatively taxpayer-neutral.

The effective 504 interest rate will vary each month in response to market pressures. The rate appearing on the front page of the Colorado Lending Source web site is always the most recent rate INCLUSIVE of the following three fees.

- Servicing Agent Fee:** 0.100%

This fee is paid to the servicing agent in New York who collects the loan payment from the borrower and remits it, en masse, to the institutional investor who purchased a specific debenture.
- SBA Guaranty Fee**

Regular/Refi with Expansion:	0.3205%
Standalone Refinance:	0.3220%

This fee is paid to the SBA on all 504 loans approved during the 2020 federal fiscal year. This fee may vary each year as a result of the annual budget process and is set to ensure that the 504 loan program remains relatively taxpayer neutral.
- CDC Servicing Fee:** 0.625%

This fee is paid to Colorado Lending Source from loan payment proceeds after the SBA first withholds 0.125%. The remaining balance, 0.500%, compensates Colorado Lending Source for servicing actions associated with managing the loan on behalf of and in conjunction with the SBA. Statute allows a CDC servicing fee to be 0.625%, 1.000%, 1.500% or even 2.000%, but Colorado Lending Source will only ever charge the statutory minimum fee of 0.625%.

8. APPLICATION FEE

Colorado Lending Source does NOT charge application fees or require non-refundable deposits for loans with a gross debenture of less than \$2,000,000. Colorado Lending Source earns a fee only if a 504 loan successfully funds.

For loans with a Gross Debenture of \$2,000,000 or more, 1% of the processing fee charged against the net debenture, will be collected at the time of SBA loan approval. The payment will be due within 10 business days of the authorization and will be non-refundable.

9. PREPAYMENTS OF 504 LOANS

Just as a 504 loan can only fund once a month, so too a borrower may only pay-off a 504 loan once a month, typically on the third Thursday of that month. This is a function of the particular bond instrument sold to finance 504 loans. Because of these timing issues, a borrower is encouraged to plan ahead and contact Colorado Lending Source at least 30+ days in advance of an anticipated pay-off date.

Another unique characteristic of the 504 bond is the early call or prepayment penalty that is attached to the 504 loan for half the life of that 504 loan. Borrowers accessing the program get a significantly lower interest rate if the debenture that is sold to raise the funds for their loan has a prepayment penalty. As a result, borrowers looking to "fix-and-flip" or who anticipate paying off a 504 loan within two years of funding, may not find it an economically viable loan to consider. The premium associated with the early payment of a 504 loan is a function of two things: the debenture note rate (the underlying cost of funds associated with a 504 loan), and, the length of time since the loan was funded.

For purposes of illustration, the following prepayment premiums are associated with 504 loans that funded in January 2014. A unique prepayment schedule is provided to every borrower soon after their loan funds. This illustration assumes a 20 year 504 loan. Prepayment Premium based on a debenture note rate of 3.46%.

Year 1	= (100% x 3.46%) x outstanding 504 loan principal
Year 2	= (90% x 3.46%) x outstanding 504 loan principal
Year 3	= (80% x 3.46%) x outstanding 504 loan principal
Year 4	= (70% x 3.46%) x outstanding 504 loan principal
Year 5	= (60% x 3.46%) x outstanding 504 loan principal
Year 6	= (50% x 3.46%) x outstanding 504 loan principal
Year 7	= (40% x 3.46%) x outstanding 504 loan principal
Year 8	= (30% x 3.46%) x outstanding 504 loan principal
Year 9	= (20% x 3.46%) x outstanding 504 loan principal
Year 10	= (10% x 3.46%) x outstanding 504 loan principal

There is no prepayment premium after year 10. Partial or additional payments may not be made under the 504 loan program (because the investors in the bond have no way of tracking or accounting for extra payments).

10. ELIGIBLE PROJECT COSTS

For the purposes of identifying and calculating the “total project cost” for a 504-eligible project, expenditures on the following are considered ELIGIBLE COSTS under the 504 loan program:

- Purchase of land and building(s);
- Building improvements and construction costs, including FF&E costs if these items are necessary and integral to operation of the business, and a minor part of the overall project;
- Related project expenditures, e.g. appraisal, engineering, architectural and/or any environmental reporting costs;
- Construction interest and any associated interim loan fees;
- Purchase of eligible machinery and equipment with a useful life of ten or more years;
- A “limited amount” of refinancing where this is defined by the amount of the new expansion project. As a general rule, for every \$2 in new eligible costs, the 504 loan program may refinance \$1 of existing eligible costs IF the financing will provide a “substantial benefit” to the borrower AND IF the borrower has been current on all payments for at least 12 months previous AND IF the refinancing will provide better terms or rates.
- Refinancing of a conventional loan two or more years old that has been current for the last 12 months, on real estate or fixed assets that would otherwise have been originally eligible for financing under the 504 loan program.

11. SPECIAL PROVISIONS FOR REFINANCING

There are two types of refinancing 504 loans programs available: one that allows a limited amount of refinancing in conjunction with a business expansion (504 Refinance + Expansion); and a program that allows for the refinancing of existing conventional loans (504 Refinance).

The SBA defines the eligible debt that can be refinanced as debt (one or more existing loans) where “substantially all” (85% or more) of the original proceeds of the indebtedness were used to acquire/improve/construct a building or purchase equipment (things that would have originally been eligible under the 504 loan program) and the remaining amount of the debt (15% or less) was incurred for the benefit of the small business seeking the financing.

For both programs, the debt to be refinance must have been current for the previous 12 months.

504 Refinance + Expansion

- Any amount of existing indebtedness that does not exceed 50% of the cost of the expansion, may be refinanced as long as a “substantial benefit” (an improvement in cash flow of 10% or more) is evident. The expansion refinancing 504 program may be used to refinance existing 504 loans or existing SBA 7(a) loans under these guidelines, in certain circumstances.

504 Refinance

- For the 504 Refinance program, any conventional loan can be refinanced as long as the loan has been in place for at least two years prior to the date of application.
- It is possible, when refinancing a conventional loan under the 504 Refinance program for the business to secure additional funds over and above the amount of indebtedness, providing that these funds are or will be used for eligible business expenses such as salaries, rent, utilities, inventory or other obligations incurred but not paid prior to the date of application, or that will become due withing eighteen months after the date of the loan application.
- The structure of the 504 Refinance program allows the private sector lender to finance any share of the existing indebtedness plus eligible business expenses as long as the new private sector loans is no less than the 504 loan, and that the 504 loan is not more than 40% of the appraised value of the fixed asset(s) being refinanced. The combination of the total private sector loan plus the 504 loan may not exceed 90% of the appraised value of the fixed asset(s) being refinanced, or 85% if cash out is a for business operating expenses. Cash out for business operating expenses cannot exceed 20% of the appraised value.
- Appraisals must be dated with 12 months of the date of the application.

12. MAXIMUM & MINIMUM LOAN AMOUNTS

The maximum share of a total project that can be financed under the SBA 504 loan program is limited to 40% of the total eligible project costs, up to a maximum dollar gross debenture amount (which equals the share of the project plus all associated fees built into the bond when it is sold on the market). This maximum dollar gross debenture amount is aggregate any other outstanding SBA debt and is as follows:

Regular 504 loans, 504 Refinance + Expansion loans, 504 Refinance loans	\$5,000,000
Projects involving Small Manufacturers (A business with NAICS Code of 31, 32, 33 with all production facilities located within the United States). The maximum is allowed per project for each 504 loan.	\$5,500,000
Projects resulting in a 10% or greater reduction in borrower's energy consumption, or 15% generation from renewable energy sources. The maximum is allowed per project for each 504 loan until a total exposure of \$16,500,000 is met.	\$5,500,000
Projects that increase the use of sustainable designs, including designs that reduce greenhouse gas emitting fossil fuels or low-impact design to produce buildings that reduce the use of non-renewable resources and minimize environmental impact. The maximum is allowed per project for each 504 loan until a total exposure of \$16,500,000 is met.	\$5,000,000

The minimum dollar gross debenture 504 amount available is \$25,000.

In situations where a business applicant chooses to contribute more than the minimum 10% required for a multi-purpose/existing business expansion project, the additional contribution may reduce the partner private sector lender share, the 504 share or both providing that the 504 share of the financing project is NEVER a larger percentage of the total project than the partner private sector lender's share of the financing.

13. LOAN TERMS

504 financing is provided through the sale of a monthly 20-year or 25-year debenture. A bimonthly 10-year debenture is also available. Expansion projects only involving the purchase of machinery/equipment with a useful life of 10+ years, are financed with a 10-year debenture. Real estate projects may be financed using 20 (typical) or 10-year debentures.

14. LEASING EXCESS SPACE POLICY

If an expansion project involves the acquisition of an existing building, a small business applicant(s) must occupy at least 51% of the total rentable property, which includes all interior and exterior spaces actively used in the business operations. 504 loan program proceeds may not be utilized to tenant-finish any portion of the building not being immediately occupied by that small business.

On an expansion project involving new construction, the small business applicant(s) must initially occupy 60% of the total rentable property (as defined above), intend to occupy additional space within three years, and, reasonably expect to occupy at least 80% of the total rentable property within ten years. No more than 20% of the total rentable property may be permanently leased out. As for an existing building project, 504 loan proceeds may not be utilized to tenant-finish any portion of the building not being initially occupied by the small business applicant(s).

During the life of the loan, the real estate pledged as Collateral for the Loan will not be leased to or occupied by any business that Borrower or Operating Company knows is engaged in any activity that is illegal under federal, state or local law or any activity that can reasonably be determined to support or facilitate any activity that is illegal under federal, state, or local law.

15. ECONOMIC DEVELOPMENT OBJECTIVES

The overall objective of the 504 program is to assist small businesses to create wealth for themselves and their communities. As indicators of this, Colorado Lending Source will consider how many "job opportunities" might reasonably be created or retained by a small business within two years of receiving 504 funds and/or whether a proposed project meets either a SBA Community Development or Public Policy objective.

As a general guideline, Colorado Lending Source must demonstrate that as a result of a 504 loan, it is helping a small business to create or retain at least 1 job for every \$75,000 of project debenture financing (or per \$120,000 for Small Manufacturers).

SBA Community Development objectives include: improving, diversifying or stabilizing a local economy; stimulating other business development; bringing new income into an area; or, assisting businesses in labor surplus areas. SBA Public Policy objectives include assisting businesses primarily owned by veterans, women, minorities, are exporters, or, businesses located in rural communities or designated economic enterprise zones.

16. REAL ESTATE OWNERSHIP

An "Eligible Passive Concern" or EPC (a passive, single purpose real estate holding entity) and certain types of trusts are permitted to hold title to real estate and lease a project facility to an eligible small business Operating Company. A copy of a master lease between the EPC and the eligible small business Operating Company

will be required as part of documents collected prior to the disbursement of 504 loan proceeds. In these situations, although the borrower is a passive real estate holding company, the 504 loan is being made on the demonstrated strength of the active Operating Company, which must be either a co-borrower or guarantor on the loan.

If the building contains third party tenants other than the Operating Company, these third party tenants must sub lease their space(s) from the active Operating Company and not from the EPC.

17. "DO-IT-YOURSELF" CONSTRUCTION

Situations where the borrower is also the project contractor have generally proved to be an unsatisfactory arrangement on loans. However, "do-it-yourself" construction and / or the installation of machinery and equipment, or situations where the borrower acts as its own contractor, may be permitted as long as it is possible to justify and document the following:

- The borrower/contractor is experienced in the type of construction and has all appropriate licenses;
- The cost is the same as, or less than, what an unaffiliated contractor would charge as evidenced by two (2) independent bids on the work; and
- The borrower/contractor will not earn a profit on the construction.

18. SIZE ELIGIBILITY REQUIREMENTS

A small business applicant, together with its affiliates (an affiliation occurs when one concern controls or has the power to control the other), may not have a tangible net worth in excess of \$15 million, and, may not have an average net income after taxes in excess of \$5.0 million (two year average). Some exceptions are allowed to this general rule.

19. PERSONAL/CORPORATE GUARANTEES

Personal guarantees are required from EVERY person/ entity owning 20% or more of an eligible small business applicant(s) or EPC owning any of the project real estate, machinery or equipment. A personal guarantor is required on EVERY 504 loan, even if no one owns more than 20%.

20. LIFE INSURANCE

If the on-going viability of a business is dependent on a sole proprietor or the business is a single member LLC, as a condition of approval, an acknowledged collateral assignment of key-person life insurance up to the extent of the 504 loan amount.

21. 504 LOANS MAY BE ASSUMED

All 504 loans are fully assumable. Applicants will still need to be qualified and the SBA assesses a 1.0% fee on the outstanding indebtedness for all assumption actions.

22. PRIOR BANKRUPTCIES

Full disclosure of prior bankruptcies is required.

Colorado Lending Source reserves the right to withhold approval of applications where a business or its principals have taken prior bankruptcy protection from creditors.

23. PRIOR CRIMINAL OFFENSES/ARRESTS

A prior criminal arrest or conviction will not necessarily disqualify an individual from receiving financing under the 504 loan program. However, full disclosure is required. If any individual positively answers questions 1, 2 or 3 on the included SBA Form 1244 Section XIX, that individual will be required to submit an affidavit explaining the specific details and the reason for the positive answer(s) along with a statement that "no occurrences have since taken place." Copies of all relevant court documentation relating to the event(s) will also need to be provided. In certain circumstances, particularly where two or more misdemeanor offenses have been recorded within the last ten years, or where any past felony convictions are present, an SBA fingerprint card will also need to be completed and submitted.

The SBA's Form 1244 Section XIX form MUST be completed by all proprietors, general partners, officers, directors, managing members of any LLC, owners of 20% or more equity in any applicant businesses AND any key employee hired by the applicant business to manage day-to-day operations. The determination of who is or isn't a key employee is made on a case-by-case basis but generally:

- Someone managing a shift in a retail store is usually not considered a key employee;
- A chef in a restaurant is usually not considered a key employee;
- Someone who performs maintenance on the fixtures of a business is usually not considered a key employee;
- Someone who manages a business for a short period of time in an owner's absence is usually not considered a key employee;
- The senior mechanic at a repair shop is usually not considered a key employee.
- This list is not meant to be comprehensive.

24. LEGAL PERMANENT RESIDENTS

504 loans are available to businesses owned by persons who are not citizens of the United States; however, the processing procedures, terms and conditions may vary, depending upon the residency status assigned by the US Citizen and Immigration Service division of Homeland Security.

Because fraudulent immigration documents are a serious problem, the status of each Legal Permanent Resident must be verified by Colorado Lending Source as part of the loan application process. Accordingly, applicants seeking 504 financing who are not citizens of the United States must provide: (a) a legible copy of DOCUMENTATION (front and back) evidencing resident status, and, (b) a PERMISSION LETTER, signed and dated, which includes the statement "I authorize the US Citizen and Immigration Service to release information regarding my immigration status to Colorado Lending Source."

25. ILLEGAL ALIENS

504 loans are not available to businesses that willfully and knowingly hire illegal aliens.

26. CHILD SUPPORT COMPLIANCE

No principal who owns at least 50% of the ownership or voting interest in a company applying for financing under the 504 program, may be delinquent more than 60 days under the terms of any (1) administrative order, (2) court order, or (3) repayment agreement that requires payment of child support. A certification of compliance will be required before any funds will be disbursed under the 504 loan program.

27. ENVIRONMENTAL REPORT

Prior to the final disbursement of funds, evidence must be provided that a project property is free and clear of environmental hazards. Either a Records Search Risk Assessment report plus an environmental questionnaire completed by the seller, a Transactional Screening Analysis (TSA), a Phase I or a Phase II report may be required. Any TSA, Phase I or Phase II reports must be accompanied by a reliance certification provided by the environmental company using a standardized SBA form. All reports should name the U.S. Small Business Administration/Colorado Lending Source, Ltd. in addition to the bank lender.

28. APPRAISALS

An appraisal will be required on all projects involving the purchase, improvement or construction of real estate. All appraisals must use at least two valuation methods. All appraisals must be ordered by the participating partner

lender, performed by a state-certified appraiser and must name the U.S. Small Business Administration in addition to the bank lender.

29. FLOOD & EARTHQUAKE HAZARDS

Flood insurance must be purchased if any building or equipment acquired, installed, improved or constructed with loan proceeds is located in a special flood hazard area. Newly constructed facilities must be constructed to conform with the National Earthquake Hazards Reduction Program.

30. APPROVAL PROCESS

Once all documents have been submitted to Colorado Lending Source, the application approval process may take from two to four weeks to generate a formal approval.

31. INTERIM OR CONSTRUCTION FINANCING

Due to the nature of 504 loans, interim or construction financing is typically required and provided by a private sector lender to cover the period of time between the approval of a financing application and the sale of a debenture in New York to fund the 504 share of the financing project.

32. TIMING OF FUNDING 504 DEBENTURES

Once all the necessary SBA loan documents have been executed, there is a minimum six week period until a SBA loan is actually funded. 504 debentures are only sold once each month (usually on the Wednesday after the second Sunday). Funds received from this sale are wire-transferred directly to the participating partner lending institution on the same day the debenture funds.

33. METHOD OF 504 LOAN PAYMENTS

Monthly loan payments on the 504 portion of a financing project must be made by an automatic electronic transfer ("ACH debit") from a bank account designated by the small business borrower. Payments are due on the first working day of each month, beginning the month immediately following the actual sale of a debenture.

34. EQUAL CREDIT OPPORTUNITY

Colorado Lending Source is an equal credit opportunity lender and does not discriminate on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract), handicap, 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.

35. IDENTIFICATION PROCEDURES

To help the government fight the funding of terrorism and money laundering activities, federal law requires Colorado Lending Source to obtain, verify and record information that identifies each person who applies for a loan. This means we will ask for a name, address, date of birth and other information. We will also ask for a copy of a driver’s license or other identifying document.

36. NO ADDITIONAL PROVISIONS

An applicant(s) will indemnify and hold Colorado Lending Source 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 of the applicant. All parties agree that there are no other promises, terms or agreements (oral or written) between Colorado Lending Source and that program rules and fees are subject to change at any time.

37. FINANCIAL PRIVACY

Colorado Lending Source commits to protecting any and all personal information provided in conjunction with a loan application, and also commits to collect and disclose this information only as allowed by law. Colorado Lending Source is required to secure a credit bureau report on all applicants applying for assistance under Colorado Lending Source administered loan programs. This credit bureau report will be secured at application and prior to funding. A signature below acknowledges understanding of this requirement, and that Colorado Lending Source is dedicated to security procedures designed to protect all personal information. Colorado Lending Source maintains physical, electronic and procedural safeguards that exceed federal standards to guard personal information. Colorado Lending Source does not sell, trade or barter 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 504 loan program accessed through Colorado Lending Source.

38. LOAN CLOSING

Your loan application and any other documents we request from you during the loan closing process, or have you sign before or at closing will be reviewed by Colorado Lending Source, Ltd., its employees, representatives, and/or its closing attorneys. Colorado Lending Source, Ltd.’s employees, representatives, or closing attorneys do not represent you or your interests.

During the loan closing process, Colorado Lending Source, Ltd.’s employees, representatives, or closing attorneys may make or request that you make changes to documents. Any changes made or requests for changes to any document by Colorado Lending Source, Ltd., its employees, representatives, or closing attorneys, may have important legal implications and consequences and it is recommended that you consult with your own attorney about any legal implications and consequences of any document or changes to any documents before making or signing any document during your loan application or the loan closing process.

39. CREDIT ALERT VERIFICATION REPORTING SYSTEM (CAIVRS)

If the applicant(s) defaults on the SBA-guaranteed 504 loan and SBA suffers a loss, the names of the small business and the guarantors of the SBA-guaranteed loan will be referred for listing in the CAIVRS database, which may affect their eligibility for further financial assistance.

Company: _____

Signed: _____

Name: _____

Date: _____

Effective Date 10/1/2019

Business Information

Business Name		
Trade Name		
Business Description		
Business Address		
Business City	State	Zip
Business Phone	Fax	
Email Address	Website	
Date Established	Number of Full Time Employees	
Tax ID	Current Total Square Feet of Business	
Is your Business a Franchise?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Franchise Name

Please provide information for all ACTIVE business involved with the application. List additional businesses on a separate piece of paper and attach it to this page.

Business Type

- Sole Proprietor Partnership
 LLC
 S Corporation
 C Corporation
 Trust
 Other

Ownership Structure	Name	Title	Address	Social Security #	Owner %	U.S. Citizen (Y/N)
Key Principal						
Owner/Key Employee						
Owner/Key Employee						
Owner/Key Employee						
Owner/Key Employee						

Please list any additional Owners or Key Employees on a separate piece of paper and attach it to this page.

Real Estate Holding Entity Information

Business Name	
Date Established	Tax ID

Please provide the following information ONLY if you are in the process of or have established a real estate holding entity (other than the active business) that will hold title to any real estate you are requesting financing for.

Business Type

- Sole Proprietor Partnership
 LLC
 S Corporation
 C Corporation
 Trust
 Other

Ownership Structure	Name	Title	Address	Social Security #	Owner %	U.S. Citizen (Y/N)
Key Principal						
Principal #1						
Principal #2						
Principal #3						
Principal #4						

Please list any additional Owners or Key Employees on a separate piece of paper and attach it to this page.

Business Information Continued

Business Debt Schedule

Lender Name	Original Amount	Original Date	Current Balance	Interest Rate	Maturity Date	Monthly Payment	Collateral Securing Debt
	\$		\$			\$	
	\$		\$			\$	
	\$		\$			\$	

Please list all current notes, lines of credit and mortgages due. Do not include trade accounts payable only fixed obligations of the business.

Current or Previous SBA or Government Debt

Agency	Loan #	Original Borrower	Loan Amount	Application Date	Loan Status	Current Balance	Any Govt. Loss?
			\$			\$	
			\$			\$	
			\$			\$	

Aging of Accounts Receivable and Accounts Payable

Aging	Accounts Receivable	Accounts Payable
Under 30 Days	\$	\$
30 to 59 days	\$	\$
60 to 89 days	\$	\$
90 to 119 days	\$	\$
120 days & more	\$	\$
Uncollectable	\$	\$
TOTALS =	\$	\$

Please provide this information if not included separately. Totals provided must match the totals on your latest balance sheet.

Projected Profit and Loss Statement (Next Two Full Years)

Year Ending		
Net Sales	\$	\$
Cost of Goods Sold	\$	\$
GROSS PROFIT =	\$	\$
Officer Compensation	\$	\$
Other Wages	\$	\$
Rent	\$	\$
Depreciation/Amortization	\$	\$
Interest Expense	\$	\$
Other General/Administrative Expenses	\$	\$
TOTAL EXPENSES =	\$	\$
Other Income	\$	\$
Other Expenses	\$	\$
Income (Loss)	\$	\$
Income Tax	\$	\$
Net Income (Loss)	\$	\$

Please provide all the this information if not included separately.

Signature: _____ Date: _____

Project Information

Project Address			
Project City	State	Zip	County
Is this address different from the current business address listed on page 13?		Yes	No

Facility Information

Facility square footage	Expectant square footage occupied		
Are there existing tenants that will remain	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Months remaining on tenant lease
Approximate Facility build date	Parcel of Land Size		
Facility Description			

Proposed Use of Fund

\$ Amount

Purchase Land	
Purchase Land & Existing Building	
Purchase Existing Building (No Land)	
Construct a Building	
Add an Addition to an Existing Building	
Make a Renovation to an Existing Building	
Leasehold Improvements	
Purchase/Install of Equipment	
Purchase/Install of Fixtures	
Refinance Eligible Debt	
Other (interest on interim loan)	
Contingency (up to 10% construction)	
Professional Fees	
Appraisals	
Environmentals	
Zoning	
Survey Fees	
Recording/Title Fees	
(1) Other Professional Fees: Eligible Professional Costs	
(2) Other Professional Fees:	
TOTAL PROJECT COST	

Project Structure

\$ Amount

%

Equity (personal cash)		
Equity (business cash)		
Equity (real estate)		
TOTAL EQUITY =		
SBA 504 (NO MORE THAN 40%)		
Bank Loan (NO MORE THAN 50%)		
Other Financing:		
TOTAL PROJECT COST =		

Financing under the 504 loan program is provided in conjunction with a conventional loan from a private sector lender/bank. Either you or your conventional lender may complete this section on your behalf. Please feel free to contact us with any questions at 303.657.0010.

Borrower Information

Owner/Guarantor Information

Name		
Address		
City	State	Zip Code
Cell Phone	Email Address	

Education (College or Technical Training)

Name/Location	Dates Attended	Degree

Work Experience (beginning with current employment)

Name/Location	City/State	Title	Dates Employed

Operating Company Information

How many people do you currently employ?		
How many people do you anticipate employing in two years?		
May Colorado Lending Source reference your business as a "Success Story"?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have any previous government related financing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are you current and/or in good standing on this financing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Economic Development and Community Impact

Is the business more than 51% woman owned?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the business more than 51% minority owned?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Race (optional)		
<input type="checkbox"/> African American	<input type="checkbox"/> Eskimo or Aleut	<input type="checkbox"/> Native American
<input type="checkbox"/> Asian/Pacific Islander	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Puerto Rican
<input type="checkbox"/> Caucasian	<input type="checkbox"/> Multi-Ethnic	<input type="checkbox"/> Undetermined
Is the business more than 51% millennial owned?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the business more than 51% disabled owned?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you export (more than 10% of gross revenues)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the business more than 51% veteran owned?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Military Service Background		
Branch	Dates Served	
Rank at Discharge		
Are you currently employed by the US Government?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Agency Name	Position	

It is important for us to have an understanding of the economic development and community impact this loan will make on your community. Our organization tracks the above metrics to ensure we are fostering growth of a variety of small businesses and their owners. **Two years after your loan funds we will reach out to you to see if your business has created any new jobs.**



PERSONAL FINANCIAL STATEMENT 7(a) / 504 LOANS AND SURETY BONDS

U.S. SMALL BUSINESS ADMINISTRATION

As of _____, _____

SBA uses the information required by this Form 413 as one of a number of data sources in analyzing the repayment ability and creditworthiness of an application for an SBA guaranteed 7(a) or 504 loan or, with respect to a surety bond, to assist in recovery in the event that the contractor defaults on the contract. Submission of this information is required as part of your application for assistance. Failure to provide the information would impact the agency's decision on your application.

Complete this form for: (1) each proprietor; (2) general partner; (3) managing member of a limited liability company (LLC); (4) each owner of 20% or more of the equity of the Applicant (including the assets of the owner's spouse and any minor children); and (5) any person providing a guaranty on the loan

Return completed form to:

For 7(a) loans: the Lender processing the application for SBA guaranty

For 504 loans: the Certified Development Company (CDC) processing the application for SBA guaranty

For Surety Bonds: the Surety Company or Agent processing the application for surety bond guaranty

Name		Business Phone	
Home Address		Home Phone	
City, State, & Zip Code			
Business Name of Applicant			
ASSETS		LIABILITIES	
(Omit Cents)		(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)	
(Describe in Section 5)		Installment Account (Auto).....\$ _____	
Accounts & Notes Receivable.....\$ _____		Mo. Payments \$ _____	
(Describe in Section 5)		Installment Account (Other).....\$ _____	
Life Insurance – Cash Surrender Value Only.....\$ _____		Mo. Payments \$ _____	
(Describe in Section 8)		Loan(s) Against Life Insurance.....\$ _____	
Stocks and Bonds.....\$ _____		Mortgages on Real Estate.....\$ _____	
(Describe in Section 3)		(Describe in Section 4)	
Real Estate.....\$ _____		Unpaid Taxes.....\$ _____	
(Describe in Section 4)		(Describe in Section 6)	
Automobiles.....\$ _____		Other Liabilities.....\$ _____	
(Describe in Section 5, and include Year/Make/Model)		(Describe in Section 7)	
Other Personal Property.....\$ _____		Total Liabilities.....\$ _____	
(Describe in Section 5)		Net Worth.....\$ _____	
Other Assets.....\$ _____		Total \$ _____	
(Describe in Section 5)		*Must equal total in assets column.	
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.			

*Alimony or child support payments should 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 part of this statement and signed.)

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

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned. (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 Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)			
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			

Section 5. Other Personal Property and Other Assets. (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.)

Section 6. Unpaid Taxes. (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities. (Describe in detail.)

Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies – name of insurance company and Beneficiaries.)

I authorize the SBA/Lender/Surety Company to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness.

CERTIFICATION: (to be completed by each person submitting the information requested on this form and the spouse of any 20% or more owner when spousal assets are included)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that SBA or its participating Lenders or Certified Development Companies or Surety Companies will rely on this information when making decisions regarding an application for a loan or a surety bond. I further certify that I have read the attached statements required by law and executive order.

Signature _____

Date _____

Print Name _____

Social Security No. _____

Signature _____

Date _____

Print Name _____

Social Security No. _____

NOTICE TO LOAN AND SURETY BOND APPLICANTS: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES 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 or surety bond application. A false statement is punishable under 18 U.S.C. §§ 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. § 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, a false statement is punishable under 18 U.S.C. § 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000. Additionally, false statements can lead to treble damages and civil penalties under the False Claims Act, 31 U.S.C. § 3729, and other administrative remedies including suspension and debarment.

PLEASE NOTE: According to the Paperwork Reduction Act, you are not required to respond to this request for information unless it displays a valid OMB Control Number. 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 collection, please contact: Director, Records Management Division, Small Business Administration, 409 Third Street SW, Washington, D.C. 20416, and SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C. 20503. PLEASE DO NOT SEND COMPLETED FORMS TO OMB.

PLEASE READ, DETACH, AND RETAIN FOR YOUR RECORDS
STATEMENTS REQUIRED BY LAW AND EXECUTIVE ORDER

SBA is 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. These are contained in Parts 112, 113, and 117 of Title 13 of the Code of Federal Regulations and in Standard Operating Procedures.

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. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act (the Act). 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 Sections 634(b)(11) and 687(b)(a), respectively. 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.

The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's investigative files system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information 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. Another routine use is that SBA may disclose the information maintained in SBA's investigative files to other Federal agencies conducting background checks to the extent the information is relevant to the requesting agencies' function. In addition, another routine use is that SBA may transfer information related to a debt that a person is delinquent in paying to SBA in connection with its loan programs for publication on a computer database system maintained by the Department of Housing and Urban Development, or other Federal agency, to allow searches by participating Government agencies and approved private lenders, consistent with applicable law. SBA and its authorized lenders may also use this computer database system to perform a computer match to determine a loan applicant's credit status with participating agencies of the Federal Government. See Revision of Privacy Act System of Records, 74 F.R. 14890 (April 1, 2009) and 77 F.R. 61467 (October 9, 2012) for additional background and other routine uses, which may be amended from time to time.

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 guaranty. 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 guaranteed loan. 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 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 guaranty, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

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.

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 financial assistance from SBA, including disaster assistance.

Executive Orders -- Floodplain Management and Wetland Protection (42 F.R. 26951 and 42 F.R. 26961) -- SBA discourages 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 due to a future flood.

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. Businesses can be forced to cease operations or be prevented from starting operations in a new facility. Therefore, 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 an applicant is certification that the OSHA requirements that apply to the applicant business have been determined and that the applicant, to the best of its knowledge, is in compliance. Furthermore, applicant certifies that it will remain in compliance during the life of the loan.

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 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.

Executive Order 11738 -- Environmental Protection (38 F.R. 251621) -- 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 environment protection legislation.

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 collect aggressively 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: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice or other attorneys for litigation, (6) foreclose on collateral or take other action permitted in the loan instruments, or (7) if you default on an SBA loan and fail to fully reimburse SBA for any resulting loss, refer you to the computer database of delinquent Federal debtors maintained by the Department of Housing and Urban Development, or other Federal agency, which may disqualify you from receiving financial assistance from other Federal agencies. In addition, unless SBA is reimbursed in full for the loss, you will not be eligible for additional SBA financial assistance.

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. 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 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.

Executive Order 12549, Debarment and Suspension (2 CFR 180, adopted by reference in 2 CFR Part 2700 (SBA Debarment Regulations)) -- By submission of this loan application, you certify and acknowledge that neither you nor any Principals have within the past three years been: (a) debarred, suspended, declared ineligible from participating in, or voluntarily excluded from participation in a transaction by any Federal department or agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the Regulations; or (d) delinquent on any amounts due and owing to the U.S. Government or its agencies or instrumentalities as of the date of execution of this certification.

If you are unable to certify and acknowledge (a) through (d), you must obtain and attach a written statement of exception from SBA permitting participation in this loan. You further certify that you have not and will not knowingly enter into any agreement in connection with the goods and/or services purchased with the proceeds of this loan with any individual or entity that has been debarred, suspended, declared ineligible from participating in, or voluntarily excluded from participation in a Transaction. All capitalized terms have the meanings set forth in 2 C.F.R. Part 180.

Request for Transcript of Tax Return

OMB No. 1545-1872

- ▶ **Do not sign this form unless all applicable lines have been completed.**
- ▶ **Request may be rejected if the form is incomplete or illegible.**
- ▶ **For more information about Form 4506-T, visit www.irs.gov/form4506t.**

Tip. Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can quickly request transcripts by using our automated self-help service tools. Please visit us at IRS.gov and click on "Get a Tax Transcript..." under "Tools" or call 1-800-908-9946. 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, individual taxpayer identification number, or employer identification number (see instructions)
2a If a joint return, enter spouse's name shown on tax return.	2b Second social security number or individual taxpayer identification number if joint tax return
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code (see instructions)	
4 Previous address shown on the last return filed if different from line 3 (see instructions)	
5a 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.	
5b Customer file number (if applicable) (see instructions)	

Caution: If the tax transcript is being mailed to a third party, ensure that you have filled in lines 6 through 9 before signing. Sign and date the form once you have filled in these lines. Completing these steps helps to protect your privacy. Once the IRS discloses your tax transcript to the third party listed on line 5, the IRS has no control over what the third party does with the information. If you would like to limit the third party's authority to disclose your transcript information, you can specify this limitation in your written agreement with the third party.

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. A tax return transcript does not reflect changes made to the account after the return is processed. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120-A, Form 1120-H, Form 1120-L, 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	<input type="checkbox"/>
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 10 business days	<input type="checkbox"/>
c	Record of Account , which provides the most detailed information as it is a combination of the Return Transcript and the Account Transcript. Available for current year and 3 prior tax years. Most requests will be processed within 10 business days	<input type="checkbox"/>
7	Verification of Nonfiling , which is proof from the IRS that you did not file a return for the year. Current year requests are only available after June 15th. There are no availability restrictions on prior year requests. Most requests will be processed within 10 business days	<input type="checkbox"/>
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 2011, filed in 2012, will likely not be available from the IRS until 2013. 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 10 business days	<input type="checkbox"/>

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.

	/		/		/		/	
--	---	--	---	--	---	--	---	--

Caution: Do not sign this form unless all applicable lines have been completed.

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, at least one spouse must sign. If signed by a corporate officer, 1 percent or more shareholder, partner, managing member, 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. **Note:** This form must be received by IRS within 120 days of the signature date.

<input type="checkbox"/> Signatory attests that he/she has read the attestation clause and upon so reading declares that he/she has the authority to sign the Form 4506-T. See instructions.	Phone number of taxpayer on line 1a or 2a
▶ Signature (see instructions)	Date
▶ Title (if line 1a above is a corporation, partnership, estate, or trust)	
▶ Spouse's signature	Date

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about Form 4506-T and its instructions, go to www.irs.gov/form4506t. Information about any recent developments affecting Form 4506-T (such as legislation enacted after we released it) will be posted on that page.

What's New. The transcripts provided by the IRS have been modified to protect taxpayers' privacy. Transcripts only display partial personal information, such as the last four digits of the taxpayer's Social Security Number. Full financial and tax information, such as wages and taxable income, is shown on the transcript.

A new optional Customer File Number field is available to use when requesting a transcript. You have the option of inputting a number, such as a loan number, in this field. You can input up to 10 numeric characters. The customer file number should not contain an SSN. This number will print on the transcript. The customer file number is an optional field and not required.

General Instructions

Caution: Do not sign this form unless all applicable lines have been completed.

Purpose of form. Use Form 4506-T to request tax return information. You can also designate (on line 5) a third party to receive the information. Taxpayers using a tax year beginning in one calendar year and ending in the following year (fiscal tax year) must file Form 4506-T to request a return transcript.

Note: If you are unsure of which type of transcript you need, request the Record of Account, as it provides the most detailed information.

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

Automated transcript request. You can quickly request transcripts by using our automated self-help service tools. Please visit us at IRS.gov and click on "Get a Tax Transcript..." under "Tools" or call 1-800-908-9946.

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 addresses, send your request to the address based on the address of your most recent return.

Chart for individual transcripts (Form 1040 series and Form W-2 and Form 1099)

If you filed an individual return and lived in: **Mail or fax to:**

Alabama, Kentucky, Louisiana, Mississippi, Tennessee, Texas, a foreign country, American Samoa, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or A.P.O. or F.P.O. address	Internal Revenue Service RAIVS Team Stop 6716 AUCS Austin, TX 73301 855-587-9604
Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming	Internal Revenue Service RAIVS Team Stop 37106 Fresno, CA 93888 855-800-8105
Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia	Internal Revenue Service RAIVS Team Stop 6705 P-6 Kansas City, MO 64999 855-821-0094

Chart for all other transcripts

If you lived in or your business was in: **Mail or fax to:**

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, a foreign country, American Samoa, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or A.P.O. or F.P.O. address	Internal Revenue Service RAIVS Team P.O. Box 9941 Mail Stop 6734 Ogden, UT 84409 855-298-1145
Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin	Internal Revenue Service RAIVS Team P.O. Box 145500 Stop 2800 F Cincinnati, OH 45250 855-800-8015

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

Line 3. Enter your current address. If you use a P.O. box, include it on this line.

Line 4. Enter the address shown on the last return filed if different from the address entered on line 3.

Note: If the addresses on lines 3 and 4 are different and you have not changed your address with the IRS, file Form 8822, Change of Address. For a business address, file Form 8822-B, Change of Address or Responsible Party — Business.

Line 5b. Enter up to 10 numeric characters to create a unique customer file number that will appear on the transcript. The customer file number **should not** contain an SSN. Completion of this line is not required.

Note. If you use an SSN, name or combination of both, we will not input the information and the customer file number will be blank on the transcript.

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. The IRS must receive Form 4506-T within 120 days of the date signed by the taxpayer or it will be rejected. Ensure that all applicable lines are completed before signing.



You must check the box in the signature area to acknowledge you have the authority to sign and request the information. The form will not be processed and returned to you if the box is unchecked.

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. A bona fide shareholder of record owning 1 percent or more of the outstanding stock of the corporation may submit a Form 4506-T but must provide documentation to support the requester's right to receive the information.

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 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.

Note: If you are Heir at law, Next of kin, or Beneficiary you must be able to establish a material interest in the estate or trust.

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.

Signature by a representative. A representative can sign Form 4506-T for a taxpayer only if the taxpayer has specifically delegated this authority to the representative on Form 2848, line 5. The representative must attach Form 2848 showing the delegation to Form 4506-T.

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. You are not required to request any transcript; if you do request a transcript, sections 6103 and 6109 and their regulations 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, the District of Columbia, and U.S. commonwealths and possessions 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:

Internal Revenue Service
Publications Division
NW, IR-6526 Washington, DC 20224

Internal Revenue Service
Tax Forms and Publications
1111 Constitution Ave.
Do not send the form to this address. Instead, see *Where to file* on this page.

XIX. ALL QUESTIONS MUST BE ANSWERED BY THE FOLLOWING INDIVIDUALS AND ARE SUBJECT TO VERIFICATION BY SBA:

(All parties listed below are considered "Associates" of the small business applicant.)

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners and all limited partners owning 20% or more of the equity of the firm, or any partner that is involved in management of the applicant business;
- For a corporation, all owners of 20% or more of the corporation and each officer and director;
- For limited liability companies (LLCs), all members owning 20% or more of the company, each officer, director, and managing member; and
- Any person hired by the business to manage day-to-day operations.

(If more than one person must complete this section, this page may be copied, completed, and attached to this form.)

1. 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: _____ **HAND INITIAL**
2. Have you been arrested in the past six months for any criminal offense? Yes No Initials: _____ **HAND INITIAL**
3. 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 pre-trial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)? Yes No Initials: _____ **HAND INITIAL**
4. Has an application for the loan you are applying for now ever been submitted to SBA or to a Certified Development Company or Lender in connection with any SBA program? Yes No
5. Are you presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency? Yes No
6. If you are at least a 50% or more owner of the applicant business, are you more than 60 days delinquent on any obligation to pay child support arising under an administrative order, court order, repayment agreement between the holder and a custodial parent, or repayment agreement between the holder and a state agency providing child support enforcement services? Yes No N/A
7. Are you a U.S. citizen? Yes No Initials: _____ **HAND INITIAL**
If "No," are you a Lawful Permanent Resident alien? Yes No Initials: _____
If "Yes," provide Alien Registration Number: _____ If "No," country of citizenship: _____

Signature: _____

Association to Applicant: _____

(See list above)

Print Name: _____

- If "YES" to Question 1, the loan request is ineligible for SBA assistance.
- If "YES" to Question 2 or 3, you must complete and submit to the CDC SBA Form 912. The CDC will determine whether the completed Form 912 must be submitted to SBA for a background check and a character determination in accordance with SBA Loan Program Requirements (as defined in 13 CFR § 120.10).
- If "YES" to Question 3 and you are currently on parole or probation (including probation before judgment), the loan request is ineligible for SBA assistance.
- If "YES" to Questions 4, 5 or 6, the application may not be approved by a PCLP CDC under its delegated authority. The application must be submitted to the SLPC for processing and approval.

PLEASE READ BEFORE COMPLETING SBA 1244, Part C

Please disclose any bankruptcies with any level or form of involvement whatsoever, no matter how long ago they were.

A failure to disclose any past involvement in a bankruptcy can result in an automatic decline from SBA for your loan application.

HAND INITIAL

HAND INITIAL

U.S. SMALL BUSINESS ADMINISTRATION

PART C

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.

Privacy Act (5 U.S.C. 552a)

A 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. But see Debt Collection notice below. Disclosures of name and other personal identifiers are, 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) of the Small Business Act (the Act), 15 USC Section 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 Section 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 Sections 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.

The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's investigative files system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information 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. Another routine use is that SBA may disclose the information maintained in SBA's investigative files to other Federal agencies conducting background check to the extent the information is relevant to the requesting agencies' function. An additional routine use of personal information is to assist in obtaining credit bureau reports, including business credit reports on the small business borrower and consumer credit reports and scores on the principals of the small business and guarantors on the loan for purposes of originating, servicing, and liquidating small business loans and for purposes of routine periodic loan portfolio management and lender monitoring. In addition, as a routine use, SBA may transfer to the Department of Housing and Urban Development, or other Federal agency, information related to a debt that a person is delinquent in paying to SBA in connection with its loan programs for publication on a computer database system to allow searches by participating Government agencies and approved private lenders, consistent with applicable law. SBA and its authorized lenders may also use this computer database system to perform a computer match to determine a loan applicant's credit status with participating agencies of the Federal Government. See Revision of Privacy Act System of Records, SBA 21- Loan System, 74 FR 14890 (April 1, 2009) for additional background and other routine uses, as amended by notices published at 77 FR 15835 (3/16/2012) and 77 FR 61467 (10/9/2012), and as may be further amended from time to time.

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.

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
- If you default on an SBA loan and fail to fully reimburse SBA for any resulting loss, refer you to the computer database of delinquent Federal debtors maintained by the Department of Housing and urban Development, or other Federal agency, which may disqualify you from receiving financial assistance from other Federal agencies. In addition, unless SBA is reimbursed in full for the loss, you will not be eligible for additional SBA financial assistance.

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 C.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.

Immigration and Nationality Act (8 U.S.C. 1101, et seq., as amended)

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 Citizenship and Immigration Services 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.

Executive Order 12549 as amended by E.O. 12689, Debarment and Suspension (2 CFR 180, adopted by reference in 2 CFR Part 2700 (SBA Debarment Regulations)) --

By submission of this loan application, you certify and acknowledge that neither you nor any Principals have within the past three years been: (a) debarred, suspended, declared ineligible from participating in, or voluntarily excluded from participation in a transaction by any Federal department or agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the Regulations; or (d) delinquent on any amounts due and owing to the U.S. Government or its agencies or instrumentalities as of the date of execution of this certification.

If you are unable to certify and acknowledge (a) through (d), you must obtain and attach a written statement of exception from SBA permitting participation in this 504 loan. You further certify that you have not and will not knowingly enter into any agreement in connection with the goods and/or services purchased with the proceeds of this loan with any individual or entity that has been debarred, suspended, declared ineligible from participating in, or voluntarily excluded from participation in a Transaction. All capitalized terms have the meanings set forth in 2 C.F.R. Part 180.

Applicant Notifications

The Applicants, its proprietors, partners, officers or stockholders owning 20% or more of the Applicant have/ have not been involved in bankruptcy or insolvency proceedings. This question covers not only the Applicant, but also the personal bankruptcy or insolvency proceedings of proprietors, partners, officers or stockholders owning 20% or more of the Applicant. You must attach copies of the proceedings, if any.

The Applicant, its proprietors, partners, officers or stockholders owning 20% of more the Applicant are/ are not involved in any pending lawsuits. This question covers not only the Applicant, but also proprietors, partners, officers or stockholders owning 20% or more of the Applicant in their personal capacities.

Applicant's Acknowledgment

My signature acknowledges receipt of these Statements Required by Laws and Executive Orders, that I have read it and that I have a copy for my files. My signature represents my agreement to comply with the requirements SBA makes in connection with the approval of my loan request and to comply, whenever applicable, with the limitations contained in these Statements.

Certification as to Application Accuracy – Criminal Penalties for False Statements

The undersigned certifies that all information provided to the CDC, and that all information in, and submitted with this application, including all exhibits is true and complete to the best of his or her knowledge--Applicant acknowledges that the application and exhibits are submitted to the CDC and to SBA so that the CDC and SBA can decide whether to approve this application. Any future submissions of information to the CDC must be accompanied by a certification as to the accuracy of that information.

The undersigned acknowledges that whoever makes any false statement or report, or willfully overvalues any land property or security for the purpose of influencing in any way the action of the SBA under the Small Business Investment Act, as amended, may be punished by a fine of not more than \$1,000,000 or by imprisonment for up to 30 years, or both, pursuant to 18 U.S.C. 1014. The undersigned further acknowledges that, in connection with a 504 loan, submission of any false statement to the CDC or SBA or submission of any record to the CDC or SBA omitting material information can result in civil money penalties and additional monetary liability up to three times the amount of damages which the Government sustains because of the false statement under the False Claims Act, 31 U.S.C. 3729.

Borrower Agreements and Certifications

I agree that if SBA approves this application, I will not for at least two years hire an employee or consult anyone who was employed by the SBA during the one year period prior to the disbursement of the debenture.

I certify: I have not paid anyone connected with the Federal government for help getting this financial assistance. I also agree to report to the SBA Office of Inspector General, 409 Third Street S.W., Washington, D.C. 20416, any Federal government employee who offers in return for any type of compensation to help get this application approved. I understand that I need not pay anybody to deal with SBA. I also understand that a Certified Development Company may charge the applicant a percentage of the loan proceeds as set forth in SBA regulations as a fee for preparing and processing the loan applications. I agree to pay for or reimburse SBA for the cost of any surveys, title or mortgage examinations, appraisals, etc., performed by non-SBA personnel provided that I have given my consent.

Regulations issued by SBA prohibit the making of loans to relocate any operations of a small business which will cause a net reduction of one-third or more in the workforce of the relocating small business or a substantial increase in unemployment in any area of the country.

In the event that proceeds from this loan are used to provide a facility for relocation of the beneficiary small business concern (including any affiliate, subsidiary or other business entity under direct, indirect or common control), the undersigned certifies that such relocation will not significantly increase unemployment in the area of the original location.

No overlapping relationship exists between the small business concern, including its associates, and the CDC, including its associates, or any other lender providing financing for the project that could create an appearance of a conflict of interest as defined in 13 CFR 120.140 or violate 13 CFR 120.851. No such relationships existed within six months of this application or will be permitted to exist while assistance is outstanding.

I authorize disclosure of all information submitted in connection with this application to the financial institution agreeing to participate with SBA's guaranteed debenture. I waive all claims against SBA and its consultants for any management and technical assistance that may be provided. In consideration for assistance from the Small Business Administration, I hereby agree that I will comply with all Federal laws and regulations to the extent that they are applicable to such assistance, including conditions set forth in this application. I, my spouse, or any member of my household, or anyone who owns, manages, or directs the business or their spouses or members of their households do not work for the SBA, Small Business Advisory Council, SCORE or ACE, any Federal agency, or the participating lender. If someone does, the name and address of such person and where employed is provided on an attached page.

(Each Proprietor, each General Partner, each Limited Partner or Stockholder owning 20% or more, and each Guarantor must sign. Each person should only sign once.)

If Applicant is a proprietor or partnership, sign below:

If Applicant is an L.L.C. or corporation, sign below:

Name of Business

Corporate Name

By: _____ Date: _____

By: _____ Date: _____

Attested by: _____ (seal, if required)

Additional Proprietors, Partners, Stockholders or Guarantors as required:

Signature

Date

Signature

Date

Signature

Date

Signature

Date

Remarkably different business lending.

