

Borrower Contribution



Providing Evidence of Borrower Contribution

Each SBA 504 loan requires that the borrower contribute a specific percentage of their own cash into the project. SBA officials in the Office of Credit Risk Management have provided the following list of acceptable forms of documentation when evidencing the borrower's contribution:

- A **FINAL** Settlement Statement that is **certified and signed** by the **title company closing officer or attorney**, with borrower contribution clearly reflected on the Settlement Statement.
- Copies of paid invoices **with the cleared checks attached to each invoice, showing both the back and front of the check.**
- Copies of bank statements listing the cleared checks, **with copies of the cleared checks attached, showing both the back and front of the check.**
- Interim interest paid out of pocket by the borrower needs to be verified by bank statements or account printouts, signed by the first mortgage lender loan officer.
- In cases of seller financing serving as borrower contribution, a copy of the seller Note will be required.
- In cases of land value serving as borrower contribution, the CDC will document this with the appraisal.