

# SMALL BUSINESS FINANCING

U.S. SMALL BUSINESS ADMINISTRATION  
504 LOAN HIGHLIGHTS



WE PROVIDE  
FINANCING FOR:

- Land/Building Acquisition
- Machinery & Equipment
- Expansion
- Building Construction
- Renovation & Modernization

TYPICAL LOAN  
STRUCTURE:

- 50% First Mortgage from Private Sector Lender
- 40% Second Mortgage from Utah Certified Development Company ("CDC") (Guaranteed by the U.S. Small Business Administration)
- 10% Down Payment from Small Business

MAXIMUM  
CDC LOAN  
AMOUNT:

- \$5,000,000
- Up to \$5,500,000 for small manufacturers
- Private Lender portion unlimited

TERM:

- 10, 20 or 25 years

RATE OF INTEREST:

- Near Long-Term Treasury Bond Rates

COLLATERAL:

- Second Mortgage, or lien on assets purchased with loan proceeds

ADVANTAGES:

- Long Term
- Lower Than Market Rates
- Low Down Payment
- Fixed Rate

ELIGIBILITY  
REQUIREMENTS:

- Must be a for-profit Corporation, Partnership, LLC, or Proprietorship
- Net worth of the business must not exceed \$15 million
- Average net profit after tax must not exceed \$5 million for the last 2 years

INELIGIBLE  
PURPOSES:

- Working Capital
- Debt Consolidation or Repayment

INELIGIBLE  
BUSINESSES:

- Passive Investment Firms
- Unregulated Media Firms
- Gambling
- Real Estate Investment
- Not-for-profit Corporations
- Finance Related Firms
- Amusement Parks

## *How to Proceed*

The following should be prepared for any initial meeting:

- Project Description.
- Estimate of total project costs, including detail on new construction, renovation, machinery, or equipment.
- Purchase agreement or offer to purchase for real estate involved in the project.
- Product description and product literature. Discuss competition, strengths, weaknesses, method of distribution, type of marketing, future plans, and management.
- Financial statement of the company for the past two years, and an interim statement less than 90 days old.
- Personal financial statements of all officers and stockholders with 10% or more ownership in the company.

# 504 Loan Application Checklist



The following items are required for Utah CDC to make an internal credit & eligibility decision:

	Completed Utah CDC 504 Loan Application.
	A history and description of the business. (You may use the form included in the packet, or your own form.)
	Federal tax returns for the last 3 years for BOTH the operating business and the real estate holding company, if applicable. (Provide the <b>FULL</b> return as submitted to the IRS.)
	Interim financial statement (balance sheet and profit & loss statement dated the same day) which is current within the last 90 days for BOTH the operating business and the real estate holding company, if applicable.
	Business debt schedule for both the operating business and the real estate holding company, if applicable. Must match interim financial statements and have the same dates. (You may use the form included in the packet, or another form as long as it provides the same detail.)
	For a new business (less than 2 years of operations): Provide monthly cash flow projections and assumptions for the next 12 months, annual projections for 2 additional years (3 years total), and a pro forma balance sheet.
	Personal resume for each principal, owner, and key management individuals. (You may use the form included in the packet, or your own form.)
	SBA Form 1244 Personal History Statement along with a copy of your driver license. <b>A separate form is required for each officer, director, and key management individual (regardless of ownership) AND each proprietor, partner, and stockholder with 20% or more ownership in either the operating business or the real estate holding entity.</b>
	Personal Financial Statement for each principal, owner, and key management individuals. <b>If married: SBA requires the spouse's information and signature on this form.</b> This does not commit the spouse to be a guarantor on the loan. (SBA required form included in packet. Make sure it is filled out completely, signed, and dated.)
	Personal tax returns for each principal, owner, and key management individuals for the last 3 years. (Provide the <b>FULL</b> return as submitted to the IRS.)

The following items will be needed to complete the SBA Loan Application:

	An aging of accounts receivable AND aging of accounts payable for the operating business. (These must match the interim financial statement(s) above, and have the same dates.)
	For a Corporation: Articles of Incorporation and Bylaws
	For an LLC: Articles of Organization and Operating Agreement
	For a Partnership: Partnership Agreement
	Trust Documents: Provide if the business OR any owners have a trust(s).
	Franchise/License/Dealer/Jobber or other similar agreement(s), if applicable.
	For all affiliated business, provide tax returns for the last 2 years OR the last two year-end financial statements. (This information is required to determine if the project meets SBA's size requirements, and does not necessarily mean affiliated businesses will be involved in the project financing.)
	Real estate purchase agreement and all addendums (all signatures, dates, and initials must be complete) and a settlement statement (if applicable).
	If new construction: Provide a detailed construction cost estimate. If equipment has or is being purchased, provide copies of equipment invoices.
	Any EXISTING environmental reports/studies. If there is not an existing report dated within the last 9 months, we will need to order an appropriate environmental report.
	If you currently have financing on the land, or on any equipment purchased specifically for this project, please provide a copy of the Note and/or Security Agreement, as well as a payment transcript for the last 12 months.



## Assistance & Loan Application Fee Agreement

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

This Agreement is made and entered into between Utah Certified Development Company ("CDC") and the undersigned ("Applicant").

Applicant is seeking loan financing assistance under Section 504 of the Small Business Act, ("504 Loan Program") and CDC is willing to assist with the loan application services necessary to apply for such 504 Loan. Therefore, Applicant and CDC agree as follows:

### 1. Preparation of Loan Application

CDC will prepare on behalf of the applicant the 504 Loan Package required by the U.S. Small Business Administration ("SBA") prior to the SBA considering Applicant's application for an SBA 504 Loan Guaranty.

Promptly upon request, Applicant shall provide CDC with all requisite documentation, information and data necessary to prepare the 504 Loan Application Package. Applicant agrees that all documentation, information and data provided shall be current, accurate and complete. Applicant shall do each and every other thing required to package the 504 Application.

### 2. Loan Processing Fee

In accordance with SBA regulations, CDC will charge a processing fee equal to 1.5% of the net proceeds of the SBA 504 loan proceeds. Applicant agrees to pay, as a deposit, a portion of the Loan Processing Fee at the time applicant signs this agreement and a 504 Loan Application File is opened. The deposit is based on the following schedule:

CDC/SBA Loan Amount:	\$50,000 – 250,000	\$250,000 +
Deposit Amount:	1% (\$500 – 2,500)	\$2,500

If CDC or SBA declines the application, the deposit will be refunded in full within 10 business days after the decline, including any period for reconsideration. If Applicant chooses to terminate this agreement, for any reason, CDC shall deduct the reasonable and necessary costs incurred in the application and/or approval process. After deducting all hard costs incurred by the CDC, any remaining deposit balance will be refunded to the applicant within 10 business days, according to the following schedule:

Pre-loan analysis, initial credit review and determination of eligibility	75% of deposit refunded
Review and preparation of checklists for documentation needed to complete Application	50% of deposit refunded
Completion of credit underwriting and preparation of credit memo	25% of deposit refunded
Presentation of loan to Utah CDC Loan Committee	0% of deposit refunded

If the Final 504 Loan Package is approved and Applicant obtains 504 Loan financing, the total 504 Loan Processing Fee will be financed with the 504 Loan Proceeds, and the deposit paid by Applicant will be refunded to Applicant upon 504 Loan funding.

### 3. No Representations or Warranties

Applicant understands and acknowledges that CDC cannot and does not make representations or warranties as to the likelihood of 504 Loan guaranty Authorization by the SBA and/or applicant obtaining any 504 loan. Applicant acknowledges and agrees that CDC and CDC's employees, agents and representatives have made no representations, promises or warranties to Applicant and that Applicant has not relied on any representation, promise or warranty of CDC and/or CDC's employees, agents and/or representatives regarding approval and/or obtaining a 504 loan. The CDC has no authority to bind the SBA or any lender. CDC makes no representation as to the length of time to prepare the 504 loan application package, submission to a lender and/or any other actions implied by this agreement.

### 4. Change of Circumstances

Applicant agrees to immediately notify CDC in writing of any material adverse change in Applicant's financial condition, and the absence of such notification shall be considered a continuing statement that no such unfavorable change has occurred.

**5. 504 Loan Requirements Subject to Change**

The charges, rules, regulations and procedures related to Applicant’s 504 Loan application are governed by federal regulations. Such federal regulations are subject to change, and therefore, the information contained herein is subject to change. Additional requirements or changes may be imposed by CDC or SBA. Applicant is encouraged to seek the advice of its own legal counsel before and during the entirety of the 504 loan application process. By signing this Agreement, Applicant acknowledges it has read, understands, and agrees to be bound by each and every provision set forth herein.

**6. Termination**

CDC may terminate its 504 loan packaging services and all other obligations under this Agreement upon written notice to Applicant. Applicant may terminate the loan packaging services of CDC upon written notice.

**7. Interest Rate**

The interest rate on an SBA 504 Loan is determined at the time of 504 Debenture Sale. Any discussion of interest rate at time of application or any time after loan approval, prior to Debenture Sale, is for demonstration and example only and does not constitute a quote or guarantee of the interest rate.

**8. Entire Agreement**

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

**9. Construction of Agreement**

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

**10. Indemnification**

Applicant will indemnify and hold CDC and its officers, directors, employees, agents, and attorneys harmless from any and all loss, damage or injury (including attorneys’ fees incurred with attorneys of CDC’s choice) resulting from failure by Applicant to receive 504 Loan guaranty authorization by the SBA and/or any loss, damage or liability to Applicant or the business of Applicant. CDC shall not be liable for any of the debts, expenses or obligation incurred by Applicant or on its behalf in preparing the 504 Loan Application Package. Further, Applicant hereby agrees to indemnify CDC and hold CDC harmless from any loss, liability, claim, demand, cost, charge or damage arising out of or related to this Agreement and defend CDC against any demand, claim or charge made against CDC arising out of or related to this Agreement, including, without limitation, any attorneys fees incurred by CDC in defending any such action.

**11. Identification Procedures**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all 504 lenders (Certified Development Companies) to obtain, verify, and record information that identifies each person who applies for a 504 Loan. Applicant acknowledges that CDC will request names, addresses, date(s) of birth, driver’s licenses, other identifying documents and other information that will allow CDC to properly identify Applicant. Applicant further acknowledges that this information is required to complete an SBA 504 Loan Application.

**12. Publicity Use**

The undersigned hereby authorizes the CDC to use any business name associated with the undersigned Applicant, as well as photos of the Applicant’s business premises in CDC related promotional material.

Check here if you do not agree to publicity use of names and photos.

**APPLICANT:**

By: \_\_\_\_\_  
Name & Title:

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

# SBA 504 Loan Application



## Operating Company

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

Address: \_\_\_\_\_ Tax ID #: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Business Web Site: \_\_\_\_\_ Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Principal in Charge: \_\_\_\_\_ Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Secondary Contact: \_\_\_\_\_ Phone: \_\_\_\_\_ Email: \_\_\_\_\_

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

Type of Entity (check one):  Proprietorship  Corporation  LLC  Partnership

List all Directors, Members, Officers, and Owners, regardless of ownership: (Attach additional sheet if necessary.)

Name (Full Legal Name)	Title (Pres/VP/Sec/Manager/Member)	Ownership % (Must total 100%)

## Real Estate Holding Company If applicable – If property will be held personally, please indicate name(s) here.

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

Address: \_\_\_\_\_ Tax ID #: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Business Web Site: \_\_\_\_\_ Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Principal in Charge: \_\_\_\_\_ Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Secondary Contact: \_\_\_\_\_ Phone: \_\_\_\_\_ Email: \_\_\_\_\_

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

Type of Entity (check one):  Proprietorship  Corporation  LLC  Partnership  Trust

List all Directors, Members, Officers, and Owners, regardless of ownership. For a trust, list Trustor and Trustees: (Attach additional sheet if necessary.)

Name (Full Legal Name)	Title (Pres/VP/Sec/Manager/Member)	Ownership % (Must total 100%)

## Affiliate Businesses

List all affiliated businesses. These include any firms where ANY of the principals have some ownership OR management, regardless of the amount. This information is required to determine if the project meets SBA's size requirements, and does not necessarily mean affiliated businesses will be involved in the project financing. (Attach additional sheet if necessary.)

Company Name: \_\_\_\_\_ Owner: \_\_\_\_\_ Ownership %: \_\_\_\_\_

Company Name: \_\_\_\_\_ Owner: \_\_\_\_\_ Ownership %: \_\_\_\_\_

Company Name: \_\_\_\_\_ Owner: \_\_\_\_\_ Ownership %: \_\_\_\_\_

## Project Information

Street Address of Project: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_

Square footage of new building: \_\_\_\_\_ Square footage your company will occupy: \_\_\_\_\_

Escrow Closing Date: \_\_\_\_\_ Realtor Name: \_\_\_\_\_ Phone: \_\_\_\_\_

### SBA Occupancy Requirements:

If you are PURCHASING an existing building, your company must occupy 51% of the total square footage.

If you are CONSTRUCTING a new building, your company must occupy 60% of the total square footage up front, with the intent to occupy an additional 20% within the next 10 years. This means 20% of the building may be occupied by a tenant(s) long-term. An additional 20% may be occupied by a tenant(s) on a short-term basis (lease term of 36 months or less with NO options to renew.) Project funds may not be used to improve leased spaces other than a basic vanilla finish.

If there are or will be any tenants that will lease a portion of the building, please provide the following information:

Tenant Name	Square Footage	Rent Amount	Current or Future Tenant?

## Project Costs

List ALL costs, not just the amount you need financed.

### Purchase of existing building or Equipment only

Purchase Price \$ \_\_\_\_\_

Tenant Improvements \$ \_\_\_\_\_

Equipment\* \$ \_\_\_\_\_

Other \$ \_\_\_\_\_

Total \$ \_\_\_\_\_

### Construction Project

Land Acquisition \$ \_\_\_\_\_

Construction Bid \$ \_\_\_\_\_

Architects, permits, other soft costs \$ \_\_\_\_\_

Equipment\* \$ \_\_\_\_\_

Other \$ \_\_\_\_\_

Total \$ \_\_\_\_\_

\*Please note: Equipment to be financed must have a useful life of 10 years or greater.

## Employees

Current # of Part-Time Employees: \_\_\_\_\_ Estimated # of new part-time employees within the next 2 years: \_\_\_\_\_

Current # of Full-Time Employees: \_\_\_\_\_ Estimated # of new full-time employees within the next 2 years: \_\_\_\_\_

Key Employees:	Name	Title	Responsibilities	Years with Company	Years in Industry

Please list the person who will oversee the day-to-day management.

## Insurance Information

Please provide the contact information for the Insurance Agent you will be using to insure your building.

Agent Name: \_\_\_\_\_ Phone: \_\_\_\_\_ Email: \_\_\_\_\_

## Miscellaneous Questions

Do you or any individuals involved in this project have a trust?  Yes  No  
If yes, please provide details on a separate sheet.

Have you or any officer of your company ever been involved in bankruptcy or insolvency proceedings?  Yes  No  
If yes, please provide details on a separate sheet.

Are you, any officer, or your business involved in any pending or current lawsuits?  Yes  No  
If yes, please provide details on a separate sheet.

Have you, any officer, or your business ever had an SBA loan or Guaranteed an SBA Loan?  Yes  No  
If yes, please provide the following information, even in the loan is paid in full:

SBA Loan #:	_____	SBA Loan Name:	_____
Original Amount:	\$ _____	Date of the Loan:	_____
Current Balance:	\$ _____	Name of Individual on Loan:	_____
Status:	_____	Social Security Number:	_____

Have you, any officer, or your business ever received any other type of government financing?  Yes  No  
If yes, please provide the following information, even in the loan is paid in full:

Original Amount:	\$ _____	Date of the Loan:	_____
Current Balance:	\$ _____	Name of Individual on Loan:	_____
Status:	_____	Social Security Number:	_____

If there are multiple loans, attach additional information.

**Notice:** Important information about identification procedures when obtaining a 504 loan.

To help the government fight the funding of terrorism and money laundering activities, Federal Law requires all Certified Development Companies to obtain, verify, and record information that identifies each person who applies for a 504 Loan.

**What this means for you:** When you apply for a 504 Loan, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**Authorization to Release Information**

I/We hereby authorize any financial institutions, insurance companies, investors, credit bureaus, employers, banks, accounting firms, etc., to release any and/or all information on my/our records and/or accounts to Utah CDC at their request.

I/We also authorize any information to be released by my/our original or photocopied signature.

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

By: \_\_\_\_\_  
\_\_\_\_\_  
Printed Name

Date: \_\_\_\_\_ , 20 \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_  
Printed Name

Date: \_\_\_\_\_ , 20 \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_  
Printed Name

Date: \_\_\_\_\_ , 20 \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_  
Printed Name

Date: \_\_\_\_\_ , 20 \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_  
Printed Name

Date: \_\_\_\_\_ , 20 \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_  
Printed Name

Date: \_\_\_\_\_ , 20 \_\_\_\_\_





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

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

1a. Name and Address of Applicant (Firm Name)(Street, City, State, ZIP Code and E-mail)	SBA District/Disaster Area Office	
	Amount Applied for (when applicable)	File No. (if known)

1b. Personal Statement of: (State name in full, if no middle name, state (NMN), or if initial only, indicate initial.) List all former names used, and dates each name was used. Use separate sheet if necessary.  First                      Middle                      Last	2. Give the percentage of ownership in the small business	Social Security No.
	3. Date of Birth: (Month, day, and year)	
	4. Place of Birth: (City & State or Foreign Country)	
	5. U.S. Citizen? <input type="checkbox"/> YES <input type="checkbox"/> NO      INITIALS: _____ If no, are you a Lawful Permanent resident alien? <input type="checkbox"/> YES <input type="checkbox"/> NO Alien Registration number: _____ If no, country of citizenship: _____	

If applicable, Name and Address of participating lender or surety co. Utah Certified Development Company, dba: Utah CDC 5333 South Adams Ave, Suite B Ogden, UT 84405	5. U.S. Citizen? <input type="checkbox"/> YES <input type="checkbox"/> NO      INITIALS: _____ If no, are you a Lawful Permanent resident alien? <input type="checkbox"/> YES <input type="checkbox"/> NO Alien Registration number: _____ If no, country of citizenship: _____
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6. Present residence address: From: To: Present Address: Home Telephone No. (Include Area Code): Business Telephone No. (Include Area Code):	Most recent prior address (omit if over 10 years ago): From: To: Address:
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**PLEASE SEE REVERSE SIDE FOR EXPLANATION REGARDING DISCLOSURE OF INFORMATION AND THE USES OF SUCH INFORMATION.**

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

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

7. Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction?  
 Yes  No      INITIALS: \_\_\_\_\_

8. Have you been arrested in the past six months for any criminal offense?  
 Yes  No      INITIALS: \_\_\_\_\_

9. For any criminal offense – other than a minor vehicle violation – have you ever: 1) been convicted; 2) plead guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment).  
 Yes  No      INITIALS: \_\_\_\_\_

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

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

Signature	Title	Date
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Agency Use Only 11. <input type="checkbox"/> Fingerprints Waived  <input type="checkbox"/> Fingerprints Required  Date Sent To OIG : _____  Date      Approving Authority	12. <input type="checkbox"/> Cleared for Processing  Date      Approving Authority  13. <input type="checkbox"/> Request a Character Evaluation  Date      Approving Authority (Required whenever 7, 8 or 9 are answered "yes" even if cleared for processing.)
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## NOTICES REQUIRED BY LAW

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

**PLEASE NOTE: The estimated burden for completing this form is 15 minutes per response. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. If you wish to submit comments on the burden for completing this form, direct these comments to U.S. Small Business Administration, Chief, AIB, 409 3rd St., S.W., Washington D.C. 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C. 20503. OMB Approval 3245-0178**

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

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

### **Privacy Act (5 U.S.C. § 552a)**

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

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

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



## 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

<b>Name</b>		<b>Business Phone</b>	
<b>Home Address</b>		<b>Home Phone</b>	
<b>City, State, &amp; Zip Code</b>			
<b>Business Name of Applicant</b>			
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.....\$ _____		<b>Total</b> \$ _____	
(Describe in Section 5)		*Must equal total in assets column.	
<b>Section 1. Source of Income.</b>		<b>Contingent Liabilities</b>	
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.....\$ _____	
<b>Description of Other Income in Section 1.</b>			

\*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.





# Work Experience

*List chronologically, beginning with present employment*

Name of Company: \_\_\_\_\_ % of business owned: \_\_\_\_\_

Full Address: \_\_\_\_\_  
Street City State Zip

From: \_\_\_\_\_ To: \_\_\_\_\_ Title: \_\_\_\_\_

Duties: \_\_\_\_\_  
\_\_\_\_\_

Name of Company: \_\_\_\_\_ % of business owned: \_\_\_\_\_

Full Address: \_\_\_\_\_  
Street City State Zip

From: \_\_\_\_\_ To: \_\_\_\_\_ Title: \_\_\_\_\_

Duties: \_\_\_\_\_  
\_\_\_\_\_

Name of Company: \_\_\_\_\_ % of business owned: \_\_\_\_\_

Full Address: \_\_\_\_\_  
Street City State Zip

From: \_\_\_\_\_ To: \_\_\_\_\_ Title: \_\_\_\_\_

Duties: \_\_\_\_\_  
\_\_\_\_\_

Name of Company: \_\_\_\_\_ % of business owned: \_\_\_\_\_

Full Address: \_\_\_\_\_  
Street City State Zip

From: \_\_\_\_\_ To: \_\_\_\_\_ Title: \_\_\_\_\_

Duties: \_\_\_\_\_  
\_\_\_\_\_

# Education

## *College or Technical Training*

1. \_\_\_\_\_  
Name and Location                      Dates Attended                      Major                      Degree or Certificate

Comments: \_\_\_\_\_

2. \_\_\_\_\_  
Name and Location                      Dates Attended                      Major                      Degree or Certificate

Comments: \_\_\_\_\_

3. \_\_\_\_\_  
Name and Location                      Dates Attended                      Major                      Degree or Certificate

Comments: \_\_\_\_\_

4. \_\_\_\_\_  
Name and Location                      Dates Attended                      Major                      Degree or Certificate

Comments: \_\_\_\_\_

## History and Nature of Business

**\*\*\*Please Note\*\*\***

The information requested on this form is a key factor in the approval of your application.  
Please fill in all areas of this form, making sure to give a complete history of your  
business.

Use attachments as necessary.

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

When and by whom was your company established? \_\_\_\_\_

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When did you gain control of the business? \_\_\_\_\_

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Please describe the nature of your business and its primary products or services:

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What is the geographic market area served by your business? \_\_\_\_\_

List key customers: \_\_\_\_\_

List major competitors: \_\_\_\_\_

Please provide a narrative history of the business and include any benefits that will result from obtaining an SBA 504 loan:

## Debt Schedule

\*As of: \_\_\_\_\_

For: \_\_\_\_\_

PAYABLE TO	ORIGINAL AMOUNT	ORIGINAL DATE	PRESENT BALANCE	RATE OF INTEREST	MATURITY DATE	MONTHLY PAYMENT	SECURITY	CURRENT OR PAST DUE
ACCT #:								
ACCT #:								
ACCT #:								
ACCT #:								
ACCT #:								
ACCT #:								
ACCT #:								

*\*Dates and amounts must match information shown on current financials*

# Verification of Project Costs

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## Providing Evidence of Project Costs and the Use of Loan Proceeds

Each SBA 504 loan requires verification that funds have been used as approved by SBA. Utah CDC needs to retain evidence of the use of all funds in our loan file. This evidence must include the funds provided by the borrower directly, the funds provided for the purchase of land, building, and any equipment, and funds used for any remodeling or construction. The interim lender and borrower will need to provide this verification using this type of evidence:

- A **final** Settlement Statement that is **certified and signed by the title company or an attorney**, with purchase price, amount of new loans, and cash from borrower clearly reflected on the Settlement Statement.
- Copies of paid invoices **AND** associated cleared checks attached to each invoice, showing both the back and front of the check.
- Copies of bank statements listing the cleared checks, **AND** 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/credit union statements or account printouts, signed by the lending loan officer or other authorized lending official.
- Signed and dated construction contracts for ground up construction projects or for major renovations requiring the borrower to hire someone to complete the work.
- Copies of construction disbursements made by the Interim Lender
- If seller financing is utilized for a portion of the borrower contribution, a copy of the seller Note is required.
- If equity in existing land is utilized for a portion, or all, of the borrower contribution, the CDC will document this with the appraisal if the land was purchased more than two years prior to the SBA loan application. If the land was purchased less than two years prior to the application, we will need a settlement statement as outlined above.

If you have any questions regarding the verification of project costs, please feel free to contact Utah CDC. We are happy to be of assistance.