

# **SOUTH EASTERN ECONOMIC DEVELOPMENT COMPANY OF PENNSYLVANIA**

737 Constitution Drive, Exton, PA 19341  
Phone:(610)458-5700 FAX:(610)458-7770  
e-mail:missy@cceconomicdevelopment.com  
Gary W. Smith, Executive Director  
Marietta "Missy" Myers, Assistant Director

## **SBA 504 Loan Application Checklist**

The items below should be included in your SBA 504 loan application package:

1. Application forms as attached
2. Financial statements of company for the past 3 years of operation prepared by an independent certified public accountant according to GAAP (Must include balance sheet & income statement) **Sign & date first page of each statement**
3. Interim internal financial statement less than 90 days old
4. Accounts receivable and payable agings matching the interim statement
5. Signed Corporate tax returns with all schedules and attachments for the past three years **Sign & date second page** (Request for Transcript of Tax Form for company also)
6. Proforma balance sheet and projected operating statement for the next two years if your company has experienced losses at any time during the past 3 years (See attached NOTE TO ACCOUNTANTS for more information)
7. Current personal financial statement for each proprietor, partner, and stockholder with 20% or more ownership in the business. Note that personal guarantees of principals and spouses (owning 20% or more) are required. **Sign & date**
8. Personal tax returns for the principals for the past 3 years **Sign & date second page** (Request for Transcript of Tax Form)
9. Sales agreement if purchasing real estate
10. Bids or quotes for all new construction, renovations and/or machinery and equipment
11. **SIGNED** Bank commitment letter stating the terms and conditions of its participation in the proposed project. Bank commitment should also include interim financing until SBA 504 funding is secured. (See attached NOTE TO BANKERS for more information)
12. Independent appraisal on as-completed basis (Will be ordered by your bank)\_\_\_\_\_
13. Environmental Phase I Audit (Will be ordered by your bank)
15. Application deposit of \$1,500 payable to SEED Co. of PA

## COMPANY INFORMATION

COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

NAME OF PRINCIPAL IN CHARGE: \_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

TYPE OF BUSINESS: \_\_\_\_\_

DATE ESTABLISHED: \_\_\_\_\_ EMPLOYER ID #: \_\_\_\_\_

TYPE OF ENTITY (Check One):

\_\_\_\_ Corporation

\_\_\_\_ Partnership

\_\_\_\_ Proprietorship

## COMPANY OWNERSHIP

NAME: \_\_\_\_\_ Title: \_\_\_\_\_ % of Ownership \_\_\_\_\_

NAME: \_\_\_\_\_ Title: \_\_\_\_\_ % of Ownership \_\_\_\_\_

NAME: \_\_\_\_\_ Title: \_\_\_\_\_ % of Ownership \_\_\_\_\_

## PROJECT INFORMATION

STREET ADDRESS OF PROJECT: \_\_\_\_\_

CITY: \_\_\_\_\_ COUNTY: \_\_\_\_\_ STATE \_\_\_\_ ZIP \_\_\_\_\_

## BORROWING ENTITY

NAME OF BORROWER: \_\_\_\_\_

TYPE OF ENTITY (Select One):

1. \_\_\_\_ Corporation Name of President \_\_\_\_\_

Name of Corp. Secretary \_\_\_\_\_

2. \_\_\_\_ Partnership Partners Names % Ownership

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_ Husband and Wife

4. \_\_\_\_ Single Principal

Please provide appropriate document (i.e. Partnership Agreement, LLC documents, Articles of Incorporation, Trust Agreement...)

**ELIGIBLE PROJECT COSTS**

Land.....	_____
Land Improvements (grading, parking lots, street improvements, utilities, landscaping).....	_____
Building Construction or Acquisition.....	_____
Building Improvements.....	_____
Professional Fees (surveying, appraising, engineering, legal, consulting, architectural, environmental).....	_____
Accountant Fee (relating to this project only).....	_____
Machinery & Equipment (useful life of 10 yrs).....	_____
Office Furniture & Equipment.....	_____
Interest on Interim Loan.....	_____
Bank Commitment Fee on <u>Interim Loan Only</u> .....	_____
Title Insurance & Recording Fees.....	_____
Transfer Tax.....	_____
<b>TOTAL PROJECT COST</b> .....	_____

**FINANCING STRUCTURE**

Bank Loan (50%).....	_____
SBA 504 Loan (40%).....	_____
Equity (10%).....	_____**
Total Project Cost.....	_____

**\*\*SOURCE OF EQUITY (Check all applicable)**

- \_\_\_\_\_ Cash from company
- \_\_\_\_\_ Cash from personal holdings
- \_\_\_\_\_ Home equity loan
- \_\_\_\_\_ Investors (attach letters confirming amount)
- \_\_\_\_\_ Project Land Cost
- \_\_\_\_\_ Other

## HISTORY AND NATURE OF YOUR BUSINESS

(Please be complete and provide detail)

When was your company established and by whom?

When did you gain control of the business?

What products or services do you sell? (enclose any catalogs or brochures)

What is your geographic market area?

How do you market your product or service? (i.e., type of advertising, direct mail, outside salesmen, etc.)

List Company's Major Customers

% of Sales

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List Company's Major Competitors

Location

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List of Major Suppliers

Location

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**\*\* Very Important:** On a separate sheet of paper, please provide a summary of the evolution of your business, any key points, highlights as well as major increases or decreases in sales (and explanations), etc.

## EXPECTED BENEFITS FROM THE LOAN

How will this new or remodeled facility help your business? (Increase revenue, add new products/services, improve efficiencies, etc.; be specific)

If you are moving to a new location, how will this effect your business?

**Business Debt Schedule**

Indebtedness: Furnish the following information on all installment debts, contracts, notes, and mortgages payable. Do not include accounts payable or accrued liabilities.

Date \_\_\_\_\_ \*

Creditor Name/address	Original amount	Original date	Present balance	Interest rate	Maturity date	Monthly payment	Security	Current or delinquent
			<b>Total present balance**</b>					
						<b>Total monthly payment</b>		

\* Should be the same date as current financial statement.

\*\* Total must agree with balance shown on current financial statement.

## EMPLOYEE QUESTIONNAIRE

Number of Existing Employees \_\_\_\_\_

Number of New Employees anticipated as a result of this project within the next 2 years:

Number of New  
Employees

Job Type

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## BUILDING SIZE AND OCCUPANTS

Size of current facility: \_\_\_\_\_ square feet

Date Lease Expires: \_\_\_\_\_

Total square footage of new building: \_\_\_\_\_ square feet

Are there any existing tenants that will remain in the building?

Yes \_\_\_\_\_

No \_\_\_\_\_

Do you intend to lease any space?

Yes \_\_\_\_\_

No \_\_\_\_\_

If you answered yes to either question, complete the information below:

Tenant

Square Footage

Lease Expires

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**If there are any tenants that will remain in the building, please provide copies of all existing leases.**

Note: If purchase of existing building, 49% or less may be leased.

If new construction, 33% or less may be leased with intent to occupy entire building within 2 or 3 years.

**BANK & TRADE REFERENCES**

Bank	Account #	Account Officer	Phone #
_____	_____	_____	_____
_____	_____	_____	_____

Company	Contact Person	Phone #
_____	_____	_____
_____	_____	_____

**AFFILIATES OR SUBSIDIARIES**

Do you have any affiliate and/or subsidiary firms? (Includes **all** companies in which you have **any** ownership.) If so, please provide the last fiscal year end financial statements for these firms as well as a statement as to the percentage of your ownership.

If not applicable, check here \_\_\_\_\_

**FRANCHISE**

If your business is a franchise, include a copy of the Franchise Agreement and the Franchisor's FTC Disclosure Statement.

If not applicable, check here \_\_\_\_\_

**OTHER GOVERNMENT LOANS**

If your company, principals, or affiliates have received any previous government financing, please list:

Name of Agency \_\_\_\_\_ Original Amount \_\_\_\_\_

Date of Request \_\_\_\_\_ Approved \_\_\_\_\_ Declined \_\_\_\_\_

Outstanding Balance \_\_\_\_\_ Status \_\_\_\_\_

If not applicable, check here \_\_\_\_\_

**SEED CO  
PROJECT CONTACT LIST**

1. Company/Developer's Counsel \_\_\_\_\_  
Mailing Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Contact \_\_\_\_\_ Title \_\_\_\_\_  
Telephone # \_\_\_\_\_ FAX # \_\_\_\_\_

2. Company's Accountant \_\_\_\_\_  
Mailing Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Contact \_\_\_\_\_ Title \_\_\_\_\_  
Telephone # \_\_\_\_\_ FAX # \_\_\_\_\_

3. Company's Title Company \_\_\_\_\_  
Mailing Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Contact \_\_\_\_\_ Title \_\_\_\_\_  
Telephone # \_\_\_\_\_ FAX # \_\_\_\_\_



# RESUME

RESUME OF : \_\_\_\_\_

## EDUCATION

College or Technical Training

Name and Location	Dates Attended	Major	Degree
1. _____	_____	_____	_____
Comments: _____			
2. _____	_____	_____	_____
Comments: _____			
3. _____	_____	_____	_____
Comments: _____			
4. _____	_____	_____	_____
Comments: _____			

## WORK EXPERIENCE

List chronologically, beginning with present employment

1. Name of Company \_\_\_\_\_ Percentage of business owned \_\_\_\_\_ %  
Full address \_\_\_\_\_  
From: \_\_\_\_\_ To: \_\_\_\_\_  
Title: \_\_\_\_\_ Duties: \_\_\_\_\_
2. Name of Company \_\_\_\_\_  
Full address \_\_\_\_\_  
From: \_\_\_\_\_ To: \_\_\_\_\_  
Title: \_\_\_\_\_ Duties: \_\_\_\_\_
3. Name of Company \_\_\_\_\_  
Full address \_\_\_\_\_  
From: \_\_\_\_\_ To: \_\_\_\_\_  
Title: \_\_\_\_\_ Duties: \_\_\_\_\_

# U.S. SMALL BUSINESS ADMINISTRATION APPLICATION FOR SECTION 504 LOAN

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## PART C

### Statements Required by Laws and Executive Orders

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Federal executive agencies, including the Small Business Administration, 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, by 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, and 140, Title 13 Code of Federal Regulations, Chapter 1, or Standard Operating Procedures. This form contains a brief summary of the various laws and executive orders that affect SBA's state and local development company loan programs and gives applicants and borrowers the notices required by law or otherwise.

#### **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, 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 must be identified as a Freedom of Information request.

#### **Right to Financial Privacy Act of 1978**

(12 U.S.C. 3401)

This is notice to you, as required by the Right of Financial Privacy Act of 1978, of SBA's access rights to financial records held by financial institutions that are, or have been, doing business with you or your business, including any financial institution 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 loan or loan guaranty agreement. SBA provides a certification 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 access. 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 guaranty, as necessary to process, service or foreclose on a loan or loan guaranty or to collect on a defaulted loan or loan guaranty. No other transfer of your financial records to another Government authority will be permitted by SBA except as required or permitted by law.

#### **Privacy Act of 1974 Information**

Certain information such as personal balance sheets are used to evaluate your application. Such information may be given to Federal, state or local agencies for law enforcement purpose. Omission of an item means your application might not receive full consideration.

#### **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.

#### **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.

### **Certification as to Compliance with Nondiscrimination Laws**

I give the assurance that I will comply with Sections 112, 113, and 117 of Title 13 of the Code of Federal Regulations, which prohibit discrimination on the grounds of race, color, sex, religion, marital status, handicap, age or national origin by recipients of Federal financing assistance and require appropriate reports and access to books and records. These requirements are applicable to anyone who buys or takes control of the business. I realize that if I do not comply with these nondiscrimination requirements, SBA can cancel, terminate, or accelerate repayment or suspend any or all Federal financial assistance provided by SBA.

### **Immigration Reform and Control Act of 1986**

(Pub. L. 99-603)

If you are an alien who was in this country illegally since before January 1, 1982, you may have been granted lawful temporary resident status by the United States Immigration and Naturalization Service pursuant to the Immigration Reform and Control Act of 1986 (Pub. L. 99-603). For five years from the date you are granted such status, you are not eligible for financial assistance from the SBA in the form of a loan or guaranty under Section 7(a) of the Small Business Act or Section 504 of the Small Business Investment 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.

### **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.

### **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.

### **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 listed 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.

### **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.

### **Agreement of Nonemployment of SBA Personnel**

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.

### **Certification as to Payment for Financial Assistance**

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.

### **Certification as to Non-relocation**

Regulations issued by SBA prohibit the making of loans that will result in significant increase of unemployment in any area of the country (13 CFR 108.3(a)). 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.

### **Debarment, Suspension, Ineligibility and Voluntary Exclusion for Lower Tier Covered Transactions**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 13 CFR 145.

1. The prospective lower tier participant certifies, by submission of this loan application, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participants shall attach an explanation to the loan application.

### **Certification as to Application Accuracy**

All information in this application, including exhibits, is true and complete to the best of my knowledge and is submitted to SBA so that SBA can decide whether to approve this application. 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. Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining any loan, or substitution of security therefor, or for the purpose of influencing in any way the action of SBA, or for the purpose of obtaining money, property, or anything of value, under the Small Business Investment Act, as amended, may be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both, pursuant to the Federal law at 15 U.S.C. 645.

Whoever in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up a material fact by any trick, scheme or device, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or documents knowing the same to contain any false, fictitious or fraudulent statement or entry may be fined up to \$10,000 or imprisoned for up to 5 years, or both, pursuant to the Federal law at 18 U.S.C. 1001.

### **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.
- \* Disclose the status of your loan(s) to other Federal agencies for the purpose of computer matching. Matching may be used to initiate offsets or limit your access to Federal benefits.

**CONFLICTS OF INTEREST**

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 120.102-10 or violate 13 CFR 108.4(d). No such relationships existed within six months of this application or will be permitted to exist while assistance is outstanding.

**OTHER AGREEMENTS AND CERTIFICATIONS**

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.

**Applicant Notifications**

I or any of the officers of my company \_\_\_\_\_ have/ \_\_\_\_\_ have not been involved in bankruptcy or insolvency proceedings. If so, I have attached copies of the proceedings.

I or my business \_\_\_\_\_ is/ \_\_\_\_\_ is not involved in any pending lawsuits. If so, I have attached a description.

**Applicant's Acknowledgment**

My signature acknowledges receipt of this form, that I have read it and that I have a copy for my files. My signature represents my agreement to comply with the requirements the Small Business Administration makes in connection with the approval of my loan request and to comply, whenever applicable, with the limitations contained in this notice.

(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



## Request for Copy or Transcript of Tax Form

▶ Read instructions before completing this form.

OMB No. 1545-0429

▶ Type or print clearly. Request may be rejected if the form is incomplete or illegible.

**Note: Do not use this form to get tax account information. Instead, see instructions below.**

<b>1a</b> Name shown on tax form. If a joint return, enter the name shown first.	<b>1b</b> First social security number on tax form or employer identification number (see instructions)
<b>2a</b> If a joint return, spouse's name shown on tax form	<b>2b</b> Second social security number on tax form
<b>3</b> Current name, address (including apt., room, or suite no.), city, state, and ZIP code	
<b>4</b> Address, (including apt., room, or suite no.), city, state, and ZIP code shown on the last return filed if different from line 3	
<b>5</b> If copy of form or a tax return transcript is to be mailed to someone else, enter the third party's name and address. <b>Jay Lowden, Southeastern Economic Development Co. of PA., 737 Constitution Drive, Exton, PA 19341</b>	
<b>6</b> If we cannot find a record of your tax form and you want the payment refunded to the third party, check here <input type="checkbox"/>	
<b>7</b> If name in third party's records differs from line 1a above, enter that name here (see instructions) ▶	
<b>8</b> Check only one box to show what you want. There is <b>no charge</b> for items 8a, b, and c: <b>a</b> <input type="checkbox"/> Tax return transcript of Form 1040 series filed during the <b>current calendar year</b> and the <b>3 prior calendar years</b> (see instructions). <b>b</b> <input type="checkbox"/> Verification of nonfiling. <b>c</b> <input type="checkbox"/> Form(s) W-2 information (see instructions). <b>d</b> <input type="checkbox"/> Copy of tax form and all attachments (including Form(s) W-2, schedules, or other forms). <b>The charge is \$23 for each period requested.</b> <b>Note: If these copies must be certified for court or administrative proceedings, see instructions and check here</b> <input type="checkbox"/>	
<b>9</b> If this request is to meet a requirement of one of the following, check all boxes that apply. <input type="checkbox"/> Small Business Administration <input type="checkbox"/> Department of Education <input type="checkbox"/> Department of Veterans Affairs <input type="checkbox"/> Financial institution	
<b>10</b> Tax form number (Form 1040, 1040A, 941, etc.)	<b>12</b> Complete only if line 8d is checked. Amount due: <b>a</b> Cost for each period . . . . . \$ <b>23.00</b> <b>b</b> Number of tax periods requested on line 11 <b>c</b> Total cost. Multiply line 12a by line 12b. . . \$ <i>Full payment must accompany your request. Make check or money order payable to "Internal Revenue Service."</i>
<b>11</b> Tax period(s) (year or period ended date). If more than four, see instructions.	

**Caution:** Before signing, make sure all items are complete and the form is dated.

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. I am aware that based upon this form, the IRS will release the tax information requested to any party shown on line 5. The IRS has no control over what that party does with the information.

<b>Please Sign Here</b>	Signature. See instructions. If other than taxpayer, attach authorization document.	Date	Telephone number of requester ( )
	Title (if line 1a above is a corporation, partnership, estate, or trust)		Best time to call
	Spouse's signature	Date	<b>TRY A TAX RETURN TRANSCRIPT</b> (see line 8a instructions)



**PERSONAL FINANCIAL STATEMENT**

U.S. SMALL BUSINESS ADMINISTRATION

As of \_\_\_\_\_, \_\_\_\_\_

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

Name \_\_\_\_\_ Business Phone \_\_\_\_\_

Residence Address \_\_\_\_\_ Residence Phone \_\_\_\_\_

City, State, & Zip Code \_\_\_\_\_

Business Name of Applicant/Borrower \_\_\_\_\_

ASSETS		(Omit Cents)	LIABILITIES		(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)		
Accounts & Notes Receivable .....	\$	_____	Installment Account (Auto) .....	\$	_____
Life Insurance-Cash Surrender Value Only .....	\$	_____	Mo. Payments \$ _____		
(Complete Section 8)			Installment Account (Other) .....	\$	_____
Stocks and Bonds .....	\$	_____	Mo. Payments \$ _____		
(Describe in Section 3)			Loan on Life Insurance .....	\$	_____
Real Estate .....	\$	_____	Mortgages on Real Estate .....	\$	_____
(Describe in Section 4)			(Describe in Section 4)		
Automobile-Present Value .....	\$	_____	Unpaid Taxes .....	\$	_____
Other Personal Property .....	\$	_____	(Describe in Section 6)		
(Describe in Section 5)			Other Liabilities .....	\$	_____
Other Assets .....	\$	_____	(Describe in Section 7)		
(Describe in Section 5)			Total Liabilities .....	\$	_____
<b>Total</b>	\$	_____	Net Worth .....	\$	_____
			<b>Total</b>	\$	_____

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 need 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 a part of this statement and signed.)

Name and Address 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 a 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 Property			
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 SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

PLEASE NOTE: 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, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance Officer, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. **PLEASE DO NOT SEND FORMS TO OMB.**







U.S. SMALL BUSINESS ADMINISTRATION
CERTIFICATE AS TO PARTNERS

SBA LOAN NO.

We, the undersigned, are general partners doing business under the firm name and style of \_\_\_\_\_ and constitute all the partners thereof.

Acts done in the name of or on behalf of the firm, by any one of us shall be binding on said firm and each and all of us. This statement is signed and the foregoing representations are made in order to induce the \_\_\_\_\_ (hereinafter called "Lender") or the Small Business Administration (hereinafter called

- "SBA"): 1. To consider applications for a loan or loans to said firm when signed by any one of us. 2. To make a loan or loans to said firm against a promissory note or promissory notes signed in the firm name by any one of us. 3. To accept as security for the payment of such note or notes any collateral which may be offered by any one of us. 4. To consider applications signed in the firm name by any one of us for any renewals or extensions for all or any part of such loan or loans and any other loan or loans heretofore or hereafter made by Lender or SBA to said firm. 5. To accept any other instruments or agreements of said firm which may be required by Lender or SBA in connection with such loan, renewals, or extensions when signed by any one of us.

Any indebtedness heretofore contracted and any contracts or agreements heretofore made with Lender or SBA on behalf of said firm and all acts of partners or agents of said firm in connection with said indebtedness or said contracts or agreements are hereby ratified and confirmed, and we do hereby certify that THERE IS ATTACHED HERETO A TRUE COPY OF OUR AGREEMENT OF PARTNERSHIP.

Each of the undersigned is authorized to mortgage and/or pledge all or any part of the property, real, personal, or mixed, of said firm as security for any such loan.

This statement and representations made herein are in no way intended to exclude the general authority of each partner as to any acts not specifically mentioned or to limit the power of any one of us to bind said firm and each and every one of us individually.

Lender or SBA is authorized to rely upon the aforesaid statements until receipt of written notice of any change.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

Table with 2 columns: (Typewrite Name) and (Signature). Multiple rows for partner signatures.

State of \_\_\_\_\_ )
County of \_\_\_\_\_ )ss:

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_, before me personally appeared \_\_\_\_\_ and \_\_\_\_\_ and \_\_\_\_\_ and \_\_\_\_\_ and \_\_\_\_\_ and \_\_\_\_\_ and \_\_\_\_\_

to be known to be the persons described in an who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

My commission expires \_\_\_\_\_ Notary Public

NOTE: If this form of notarial certificate cannot be used in the State in question, the form should be properly modified.



U.S. SMALL BUSINESS ADMINISTRATION
RESOLUTION OF BOARD OF DIRECTORS OF

SBA LOAN NO
(For Corporate Applicants)

(Name of Applicant)

(1) RESOLVED, that the officers of this corporation named below, or any one of them, or their, or any one of their, duly elected or appointed successors in office, be and they are hereby authorized and empowered in the name and on behalf of this corporation and under its corporate seal to execute and deliver to the (hereinafter called "Lender") or the Small Business Administration (hereinafter called "SBA"), as the case may be, in the form required by Lender or SBA, the following documents: (a) application for a loan or loans, the total thereof not to exceed in principal amount \$ , maturing upon such date or dates and bearing interest at such rate or rates as may be prescribed by Lender or SBA; (b) applications for any renewals or extensions of all or any part of such loan or loans and of any other loans, heretofore or hereafter made by Lender or SBA to this corporation; (c) the promissory note or notes of this corporation evidencing such loan or loans or any renewals or extensions thereof; and (d) any other instruments or agreements of this corporation which may be required by Lender or SBA in connection with such loans, renewals, and/or extensions; and that said officers in their discretion may accept any such loan or loans in installments and give one or more notes of this corporation therefor, and may receive and endorse in the name of this corporation any checks or drafts representing such loan or loans or any such installments;

(2) FURTHER RESOLVED, that the aforesaid officers or any one of them, or their duly elected or appointed successors in office, be and they are hereby authorized and empowered to do any acts, including but not limited to the mortgage, pledge, or hypothecation from time to time with Lender or SBA of any or all assets of this corporation to secure such loan or loans, renewals and extensions, and to execute in the name and on behalf of this corporation and under its corporate seal or otherwise, any instruments or agreements deemed necessary or proper by Lender or SBA, in respect of the collateral securing any indebtedness of this corporation;

(3) FURTHER RESOLVED, that any indebtedness heretofore contracted and any contracts or agreements heretofore made with Lender or SBA on behalf of this corporation, and all acts of officers or agents of this corporation in connection with said indebtedness or said contracts or agreements, are hereby ratified and confirmed;

(4) FURTHER RESOLVED, that the officers referred to in the foregoing resolutions are as follows:

Table with 3 columns: (Typewrite name), (Title), (Signature). It contains five rows of blank lines for entering officer information.

(5) FURTHER RESOLVED, that Lender or SBA is authorized to rely upon the aforesaid resolutions until receipt of written notice of any change.

CERTIFICATION

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution regularly presented to and adopted by the Board of Directors of

(Name of Applicant)

at on the day of , at which a quorum was present and voted, and that such resolution is duly recorded in the minute book of this corporation; that the officers named in said resolution have been duly elected or appointed to, and are the present incumbents of, the respective offices set after their respective names; and that the signatures set opposite their respective names are their true and genuine signatures.

(Seal)

Secretary

## Addendum to Application

**Principal:** \_\_\_\_\_  
**Project Location:** \_\_\_\_\_  
**Name of Company:** \_\_\_\_\_

Applicant hereby gives CHESTER COUNTY DEVELOPMENT COUNCIL, SEED Co or any related entity the authority and permission to use its name, the name of any potential guarantors and any information in this application (excepting financial information relating to Applicant and any confidential, proprietary information relating to Applicant's business practices, processes and customers), in publications, public forums, and all forms of advertising without any further notice or payment of any monies. CHESTER COUNTY DEVELOPMENT COUNCIL, SEED Co., or any related entity shall be entitled to take photographs, videos or other forms of photographic imaging of the Applicant, guarantor or their facility or Project Location and use or publish such images in publications, public forums or any form of advertising.

The term "Applicant" as used in this Addendum shall include the referenced Principal and any potential borrower, guarantor, operating company, manager, management company, industrial occupant, small business concern, tenant in the referenced Project Location, or any entity related to the referenced Principal or Company.

By: \_\_\_\_\_ (SEAL)  
Individually and on behalf of the  
"Applicant"

U.S. Small Business Administration

AGREEMENT OF COMPLIANCE

In compliance with Executive Order 11246, as amended (Executive Order 11246, as amended prohibits discrimination because of race, color, religion, sex, or national origin, and requires affirmative action to ensure equality of opportunity in all aspects of employment by all contractors and subcontractors, performing work under a Federally assisted construction contract in excess of \$10,000, regardless of the number of employees), the applicant/recipient, contractor or subcontractor agrees that in consideration of the approval and as a condition of the disbursement of all or any part of a loan by the Small Business Administration (SBA) that it will incorporate or cause to be incorporated into any contract or subcontract in excess of \$10,000 for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor, at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representative of the contractor's commitments under Executive Order 11246, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The contractor will comply with all provisions of Executive Order 11246, as amended, and the rules and relevant orders of the Secretary of Labor created thereby.
- (5) The contractor will furnish all information and reports required by Executive Order 11246, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by SBA (See SBA Form 793) and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders. (The information collection requirements contained in Executive Order 11246, as amended, are approved under OMB No. 1215-0072.)
- (6) In the event of the contractor's noncompliance with the nondiscrimination clause or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246, as amended, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Executive Order 11246, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as SBA may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however that in the event a contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by SBA, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

The Applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work.

The applicant agrees that it will assist and cooperate actively with SBA and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations and relevant orders of the Secretary of Labor, that it will furnish SBA and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist SBA in the discharge of the Agency's primary responsibility for securing compliance. The Applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246, as amended, and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by SBA or the Secretary of Labor or such other sanctions and penalties for violation thereof as may, in the opinion of the Administrator, be necessary and appropriate.

In addition, the Applicant agrees that if it fails or refuses to comply with these undertakings SBA may take any or all of the following actions: cancel, terminate or suspend in whole or in part the loan; refrain from extending any further assistance to the applicant under the programs with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

In consideration of the approval by the Small Business Administration of a loan to \_\_\_\_\_ Applicant, said Applicant and \_\_\_\_\_ the general contractor, mutually promise and agree that the(y) will comply with all nondiscrimination provisions and requirements of Executive Order 11246, as amended.

Executed the \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Name, Address, & Phone No. of Applicant

By \_\_\_\_\_  
Typed Name & Title of Authorized Official

Corporate Seal

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Name, Address, & Phone No. of Subrecipient

By \_\_\_\_\_  
Typed Name & Title of Authorized Official

Corporate Seal

\_\_\_\_\_  
Signature of Authorized Official



## **NOTE TO ACCOUNTANTS:**

The SBA 504 loan program is a direct loan program from the U.S. Small Business Administration only available through the SEED Co. of PA. It will enable your client to obtain long-term, fixed rates funds for 40% of eligible project costs. A participating bank will provide 50% of the project cost and your client must contribute 10% equity.

Your client will need your assistance in preparing the following for the SBA 504 application:

If Client is Sole Proprietorship/Partnership:

- 1 year historical accountant prepared financial statement with balance sheet
- Interim statement not more than 60 days old prepared according to GAAP

If Client is a Start-up Corporation

- 3 years proforma statements (the first year income statement should be on a monthly basis and include a cash flow) with assumptions (see explanation below)
- Opening day balance sheet
- 3 years projected annual cash flows

If Client is an Existing Corporation

- Interim statement not more than 60 days old with balance sheet, prepared according to GAAP
- If statements are being prepared on a cash basis, 1 year or the interim must be prepared according to GAAP

### Projections

Projections, prepared by an accountant, will be required for all start-up companies. An opening day balance sheet before financing must be provided. The first year income statement should be on a monthly basis and include a cash flow.

Projections will also be required for existing company which has sustained any losses in the past 3 years. Projections should be prepared on an annual basis and must include a balance sheet and income statement for each year.

All projections must include footnotes disclosing the methods of accounting, proposed sources of financing (both debt & equity), interest rates and terms of proposed financing, and all significant assumptions regarding projected quantities, prices, customers and markets, labor rates, pension and fringe benefits and administrative and other operating expenses.

If you have any questions or would like further clarification, we would encourage you to call Jay Lowden at SEED (610-458-5700).

## **NOTE TO BANKERS**

The SBA 504 loan program is a direct loan program from the U.S. Small Business Administration only available through the SEED Co. of PA. It will enable your customer to obtain long-term, fixed rates funds for 40% of eligible project costs while your bank must provide 50% of the project cost. Your customer is required to contribute 10% of the project cost in equity. If the company is a start-up, SBA requires an additional 20% equity for working capital needs.

Your bank will secure your loan with a first lien on the assets being financed. SBA will take a second lien. SBA may require further collateral on a case-by-case basis but normally it is subordinate to any bank liens. Your bank is permitted to set the interest rate of your loan but the term must be at least 10 years for a real estate project and 7 years for a machinery & equipment project.

Your bank will also be required to provide interim financing until SBA 504 funds become available.

Your commitment letter for this project must be included in the application to SEED (applications are accepted on the 5th of each month). Attached is a sample commitment letter which will help you to prepare your letter in accordance with SBA requirements.

If you have any questions or would like further clarification, we would encourage you to call Missy Myers or Jay Lowden at SEED



TO: **Participating Banks**

FROM: SEED Co of Pennsylvania

RE: **U.S. Small Business Administration  
SBA 504 Loan Program**

Thank you for your interest in the SBA 504 Loan Program. SBA 504 is a **direct loan** program from the U.S. Small Business Administration only available through SEED Co of Pennsylvania. Your bank provides **50%** of the eligible project cost secured by a first lien on the assets while SBA 504 provides **40%** of the eligible project cost at a fixed rate for a term of 10 or 20 years secured by a second lien on the assets. The company contributes equity of **10%**.

In the special case of a start-up operation or special use building only, SBA 504 finances 35% of the project cost and the company contributes equity of 15% of the eligible project cost. SBA also requires additional equity to be contributed towards the working capital needs in a start-up operation only.

You determine the interest rate and term on your portion of the loan with a minimum term of 10 years on real estate and 7 years on equipment. You are not required to send any reports to the SBA during the term of the loan. **Your portion will be a conventional loan with excellent loan to value for the entire term.**

The Small Business Administration assesses a fee of one-half of one percent of the first mortgage amount which is paid by the bank. This fee is due at the SBA 504 closing.

You will also need to provide interim (bridge) financing until SBA 504 funds become available. Your fees and interest charged on the interim loan are eligible project costs under the SBA 504 loan program. Other eligible "soft costs" include the appraisal, environmental audit, architectural fees, transfer tax, and title insurance.

Participating bank loans may be eligible for CRA credit.

We will need your commitment letter for the project as part of the application, due on either the 1st or 15th of each month. Of course your commitment will be contingent upon obtaining the SBA 504 loan approval. Attached is a sample commitment letter which will help you to prepare your letter in accordance with SBA requirements.

**If you have any questions or would like further clarification, we would encourage you to call Missy Myers or Jay Lowden at SEED (610-458-5700).**

SAMPLE BANK COMMITMENT LETTER  
FOR SBA 504 LOAN

Dear \_\_\_\_\_:

We regret to inform you that we are unable to finance 90% of the purchase price of the subject real estate. However, we are pleased to advise you that we have approved two (2) loans to you: A Term Loan to purchase the property in the amount of \$\_\_\_\_\_ and a \$\_\_\_\_\_ Line of Credit for the interim financing for a six month period. This commitment is subject to receipt and review of the borrower's 504 loan application. The terms and conditions are as follows:

1. The advances are to be secured by a first mortgage (for the Term Loan) and a second mortgage (for the Line of Credit) covering the aforementioned property.
2. The Term Loan rate of interest will be \_\_\_\_\_ for a \_\_\_\_\_ year period..... (Bank sets rate & term)

The Line of Credit will be for six (6) months with a rate of interest of \_\_\_\_\_ payable monthly.

3. Prior to funding, the borrowers will provide the Bank an SBA Authorization Letter with regard to the interim financing in a form and substance satisfactory to the Bank for the "take out" of the interim financing.

(Bank sets other conditions as may be required)

Sincerely,

YOUR BANKER