



**U.S. Small Business Administration**  
**Application for Section 504 Loans**  
OMB Control No.: 3245-0071 (Expiration Date 7/31/2023)

**Purpose of This Form**

This form and exhibits are to be completed by the Small Business Applicant (“Applicant”) and the Certified Development Company (CDC). The information is used to review the Applicant’s eligibility for a loan, indebtedness, creditworthiness, and certain other disclosures. The Applicant submits the requested information to the CDC, which will then upload the completed form to the SBA’s E-Tran system. This form must be completed and uploaded by both PCLP and non-PCLP CDCs.

**Structure and Instructions for this Form**

This form is divided into four sections:

**Section One** (Pages 2-3) is completed by the Applicant. This section requests information about the Applicant and its ownership structure. If there are Co-Applicants (e.g., “Eligible Passive Company (EPC)” and “Operating Company (OC)”), both entities must submit the information requested on page 2 and enter ownership information in the relevant table on page 3. The CDC may provide guidance to the Applicant in filling out this section; however, the Applicant is responsible for, and certifies to, the accuracy of the information.

**Section Two** (Pages 4-5) is completed by the Associates of the Applicant, including:

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

All parties listed above are considered “Associates” of the Small Business Applicant (as defined in 13 CFR § 120.10). If more than one person is required to complete this section, each person must separately complete and sign Section Two.

**Section Three** (Pages 6–11) contains the Statements Required by Law and Executive Order. These statements must be reviewed and signed by the Applicant representative and the Associates who completed section two.

**Section Four** (Pages 12–20) is completed by the CDC. This section contains fields for information regarding the CDC, the Third Party Lender and Interim Lender, the 504 Project, the Applicant, and potential conflicts of interest; identifies the exhibits required for a complete Application; and includes the CDC Agreements and Certifications that an authorized CDC official must sign on behalf of the CDC.



## Application for Section 504 Loans

### Section One: Business Information

Applicant Name (Eligible Passive Company, if applicable)			
Legal Name		Business Address	
DBA or Tradename	Legal Structure	Tax ID	DUNS Number
Contact Name	Email Address	Phone Number	Business Web Address
Operating Company (if Applicant is an EPC)			
Legal Name		Business Address	
DBA or Tradename	Legal Structure	Tax ID	DUNS Number
Contact Name	Email Address	Phone Number	Business Web Address

Project Address (if different than OC Address)	Type of Business (Summary Description)

# of existing employees employed by business (including owners who work for this business)	# of jobs to be created in the next two years as a result of the loan	# of jobs to be retained in the next two years as a result of the loan (including owners who work for this business)
Loan Amount Requested	Purpose of the loan	
\$		

1. Does the Small Business Applicant have any Affiliates? Yes    No  
 If "Yes," please attach a listing as a part of Exhibit 10
2. Have the Small Business Applicant or any Affiliates ever obtained or applied for a direct or guaranteed loan from SBA, or from any other Federal, State or local government loan program or been a guarantor on such a loan? If yes, provide relevant information in Exhibit 9 Yes    No
3. Has an application for this Project previously been submitted to the SBA by any CDC or Lender in connection with any SBA program? Yes    No  
 If yes, provide CDC/Lender Name and Loan Program: \_\_\_\_\_
4. Has the Applicant business ever declared bankruptcy? Yes    No  
 If yes, explain and provide relevant documents in Exhibit 27
5. Is the Applicant business involved in any pending lawsuits? Yes    No  
 If yes, explain and provide relevant documents in Exhibit 27

# Application for Section 504 Loans

## Section One: Business Information

6. Is the Applicant business owned by one of the following?      **401(k)   ESOP   Trust   Cooperative**

If the Applicant is owned by an ESOP or 401(k) plan (including a Rollover as Business Start-Up (ROBS) plan), Applicant must provide evidence to the CDC that the Applicant, ESOP, and/or the 401(k) plan are in compliance with all applicable Government Agencies (*i.e.*, IRS, Treasury, and Department of Labor) requirements and that it will comply with all relevant operating and reporting requirements.

### Business Ownership (Attach additional pages if needed)

This section requires the Small Business Applicant to disclose 100% of its ownership as well as its Key Employees that do not have an ownership stake. A Key Employee is any person (as defined in 13 CFR 120.10) hired by the business to manage day-to-day operations.

If some or all of the Applicant is owned by one or more entities: For each entity, list the organization name, organization type, tax identification number, and ownership percentage, and include any individuals who own each entity (100% ownership must be disclosed). Attach additional pages as necessary.

Please be advised that the Applicant must be owned and controlled by U.S. citizens or individuals with Lawful Permanent Resident status as verified through the United States Citizenship and Immigration Services by SBA.

### Eligible Passive Company (EPC) Ownership (if applicable)

Owner/Entity Name	Title/Organization Type	SSN/TIN	Ownership %

### Operating Company (OC) Ownership

Owner/Entity Name	Title/Organization Type	SSN/TIN	Ownership %



## Application for Section 504 Loans

### Section Two: Information Required to be Submitted by each Associate of the Applicant

Each Associate of the Applicant must separately complete and sign this Section. If the Applicant is operating under an EPC/OC structure, each of the EPC's and OC's Associates must complete and sign this section.

Name (Last, First, Middle)		Former Names and Dates Used	
U.S. Citizen?	USCIS Registration # (if Legal Permanent Resident)	If a non-US citizen or LPR, provide Country of Citizenship	
Yes    No			
Place of Birth (City and State or Foreign Country)		SSN or IRS TIN	Date of Birth
Phone Number (Home or Cell)		Home Address (Street, City, State, Zip code)	

**Answer the following Yes/No Questions and Initial to the Right of Each Answer**

**Initial**

1. Do you have an ownership interest in any other entity that has existing SBA loans?      **Yes**    **No**    \_\_\_\_\_  
 If yes, provide loan numbers and current status: \_\_\_\_\_
  
2. 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**    \_\_\_\_\_  
**If yes, the Applicant is not eligible for SBA assistance**
  
3. Have you been arrested in the last 6 months for any criminal offense?      **Yes**    **No**    \_\_\_\_\_  
 If yes, please provide relevant documents as a part of Exhibit 28
  
4. For any criminal offense – other than a minor vehicle violation – have you ever:      **Yes**    **No**    \_\_\_\_\_  
 1) been convicted; 2) pleaded 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)? (If “Yes,” furnish the dates, locations, fines, sentences, level of charge (whether misdemeanor or felony), dates of parole/probation, unpaid fines or penalties, name(s) under which charged, and any other pertinent information as part of Exhibit 28)
  
5. Are you presently suspended, debarred, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal Department or agency? **If yes, the Applicant is not eligible for SBA assistance**      **Yes**    **No**    \_\_\_\_\_



## Application for Section 504 Loans

### Section Two: Information Required to be Submitted by each Associate of the Applicant

6. If you are a 50% or more owner of the Applicant, are you more than 60 days delinquent on any obligation to pay child support arising under an administrative order, court order, repayment agreement between the holder and a custodial parent, or repayment agreement between the holder and a state agency providing child support enforcement services? **If yes, the Applicant is not eligible for SBA assistance** Yes No \_\_\_\_\_
7. Have you ever declared bankruptcy? Yes No \_\_\_\_\_  
If yes, please provide relevant documents as a part of Exhibit 27
8. Are you currently the subject of any pending lawsuits (including divorce)? Yes No \_\_\_\_\_  
If yes, please provide relevant documents as a part of Exhibit 27
9. Has the Applicant or any affiliated company of the Applicant as well as any Associate of the Applicant received any previous government financing? Yes No \_\_\_\_\_  
If yes, please provide relevant documents as a part of Exhibit 9

#### Veteran/Gender/Race/Ethnicity Information

This data is collected for program reporting purposes only. Disclosure is voluntary and has no bearing on the credit decision.

Categories	Category Codes	Response
Veteran	1=Non-Veteran; 2=Veteran; 3=Service-Disabled Veteran; 4=Spouse of Veteran; X=Not Disclosed	
Gender	M=Male; F=Female; X=Not Disclosed	
Race	1=American Indian or Alaska Native; 2=Asian; 3=Black or African American; 4=Native Hawaiian or Pacific Islander; 5=White; X=Not Disclosed	
Ethnicity	H=Hispanic or Latino; N=Not Hispanic or Latino; X=Not Disclosed	

**Criminal Penalties for False Statements** – The undersigned certifies that all information provided in this Section Two is true and complete to the best of his or her knowledge. The undersigned acknowledges that whoever makes any false statement or report, or willfully overvalues any land property or security for the purpose of influencing in any way the action of the SBA under the Small Business Investment Act, as amended, may be fined up to \$250,000 and/or be put in jail for up to 5 years under 18 USC § 1001, may be fined not more than \$5,000 and/or put in jail for not more than 2 years under 15 USC § 645, and if false statements are submitted to a Federally insured institution, may be punished by a fine of not more than \$1,000,000 or by imprisonment for up to 30 years, or both, pursuant to 18 U.S.C. 1014. The undersigned further acknowledges that, in connection with a 504 loan, submission of any false statement to the CDC or SBA or submission of any record to the CDC or SBA omitting material information can result in civil money penalties and additional monetary liability up to three times the amount of damages which the Government sustains because of the false statement under the False Claims Act, 31 U.S.C. 3729.

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

Print Name: \_\_\_\_\_

Signer's Relationship with Applicant Business: \_\_\_\_\_



## Application for Section 504 Loans

Section Three: Statements Required by Law and Executive Order and Certifications  
(Signed by the Applicant and Associates)

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

This application, and any assistance provided pursuant to this application, is subject to the following laws, regulations, and Executive Orders:

**Freedom of Information Act (5 U.S.C. 552)** - This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

#### **Privacy Act (5 U.S.C. 552a) and Debt Collection Improvement Act (31 U.S.C. 7701)**

*Authorities and Purpose for Collecting Information:* SBA is collecting the information on this form, including social security numbers and other personal information, to make a character and credit eligibility decision in connection with you or your company's application for SBA assistance. SBA may also use social security numbers for the purpose of collecting and reporting on any delinquent fees or other amounts owed SBA.

Under the provisions of 31 U.S.C. 7701, the applicant business and any guarantor of the loan are required to provide their social security numbers, or other taxpayer identification numbers, in order to do business with SBA. Failure to provide this information would affect your ability to obtain a 504 loan. For other individuals signing this application, the submission of the social security number is voluntary and failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. However, in evaluating whether the applicant satisfies the criteria for a 504 loan under section 501 et seq. of the Small Business Investment Act, 15 USC 695 et seq., SBA considers whether the applicant and each of its Associates possess good character. In making this determination, SBA considers the person's integrity, candor, and criminal history if any. SBA is authorized, through section 308(f) of the Small Business Investment Act, to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B) of the Small Business Act, 15 USC § 636(a)(1)(B). In addition, 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 Small Business Investment Act, see 15 USC Section 687b(a). In conducting the criminal background check, SBA also uses your social security number to distinguish you from other individuals with the same or similar name or other personal identifier. This use is permitted under Executive Order 9397.

*Routine Uses:* Some of the information collected may be checked against criminal history indices of the Federal Bureau of Investigation. When the information collected 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* SBA's Privacy Act System of Records, at 74 Fed. Reg. 14890 (2009) (as amended from time to time) for other published routine uses for the collected information.



## Application for Section 504 Loans

### Section Three: Statements Required by Law and Executive Order and Certifications

(Signed by the Applicant and Associates)

**Right to Financial Privacy Act of 1978 (12 U.S.C. 3401)** – As required by the Right of Financial Privacy Act of 1978, SBA provides this notice of SBA's right to access financial records held by financial institutions that are or have been doing business with you or your business, including any financial institutions participating in a loan or loan guarantee. The law provides that SBA shall have a right of access to your financial records in connection with its consideration or administration of assistance to you in the form of a Government loan or loan guaranty agreement. SBA is required to provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records, after which no further certification is required for subsequent accesses. The law also provides that SBA's access rights continue for the term of any approved loan or loan guaranty agreement. No further notice to you of SBA's access rights is required during the term of any such agreement.

The law also authorizes SBA to transfer to another Government authority any financial records included in an application for a loan, or concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan or loan guarantee or to collect on a defaulted loan or loan guarantee. No other transfer of your financial records to another Government authority will be permitted by SBA except as required or permitted by law.

**Debt Collection Act of 1982 and Debt Collection Improvement Act of 1996 (5 U.S.C. 5514 note and 31 U.S.C. 3701 et seq.)** – These laws require SBA to aggressively collect any loan or other 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) or other debt owed to SBA to credit bureaus
- Hire a collection agency to collect your loan or other delinquent debt
- 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 or other delinquent debt to the Department of Justice or other attorneys for litigation
- Foreclose on collateral or take other action permitted in the loan instruments
- If you default on an SBA loan and fail to fully reimburse SBA for any resulting loss, refer you to the computer database of delinquent Federal debtors maintained by the Department of Housing and Urban Development, or other Federal agency, which may disqualify you from receiving financial assistance from other Federal agencies. In addition, unless SBA is reimbursed in full for the loss, you will not be eligible for additional SBA financial assistance.

**Flood Disaster Protection Act (42 U.S.C. 4011)** – Under this Act, and its implementing regulations, SBA is prohibited from providing financial assistance 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 11988 and 11990 -- 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 applicants for SBA assistance 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.



## Application for Section 504 Loans

### Section Three: Statements Required by Law and Executive Order and Certifications

(Signed by the Applicant and Associates)

**Occupational Safety and Health Act (15 U.S.C. 651 et seq.)** – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined and required to abate the hazards in their workplaces. They may also be ordered to cease operations posing an imminent danger of death or serious injury until employees can be protected. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and 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 that the Applicant has the capacity to enter into a binding contract); because all or part of the Applicant's income derives from any public assistance program, or because the Applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

**Executive Order 11738 -- Environmental Protection (38 C.F.R. 25161)** – The Executive Order charges the 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 Associates of all small businesses borrowing \$100,000 or more in direct funds stipulate to the following:

- That any facility used, or to be used, by the subject firm is not cited on the EPA list of Violating Facilities.
- 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.
- 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 Federal regulations) on all interior surfaces, whether accessible or not, and exterior surfaces, such as stairs, decks, porches, railings, windows and doors, which are readily accessible to children under 7 years of age. A "residential structure" is any home, apartment, hotel, motel, orphanage, boarding school, dormitory, day care center, extended care facility, college or other school housing, hospital, group practice or community facility and all other residential or institutional structures where persons reside.

**Executive Order 12549 as amended by E.O. 12689, Debarment and Suspension (2 CFR 180, adopted by reference in 2 CFR Part 2700 (SBA Debarment Regulations))** – By submission of this loan application, you certify and acknowledge that neither you nor any Associates: (a) are presently debarred, suspended, declared





## Application for Section 504 Loans

### Section Three: Statements Required by Law and Executive Order and Certifications

(Signed by the Applicant and Associates)

ineligible from participating in, or voluntarily excluded from participation in a transaction by any Federal department or agency; (b) are formally proposed for debarment, with a final determination still pending; (c) are presently indicted or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses listed in the SBA Debarment Regulations; (d) have been convicted, or had a civil judgment rendered against you within the preceding three years for any of the offenses listed in the SBA Debarment Regulations, including 2 CFR 180.800(a); or (e) have had one or more public transactions (Federal, State, or local) terminated within the preceding three years for cause or default; or (f) are 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.

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.

#### Acknowledgment

By my signature below, I acknowledge receipt of the Statements Required by Laws and Executive Orders, that I have read them and that I have a copy for my files. My signature represents my agreement to comply with the requirements SBA makes in connection with the approval of my loan request and to comply, whenever applicable, with the limitations and requirements contained in these Statements and to comply, whenever applicable, with the hazard insurance, lead-based paint, civil rights or other limitations and requirements in the Statements Required by Law and Executive Order.

#### Representations, Certifications, or Authorizations by Applicant and Its Associates

By my signature below, I represent, certify, or authorize the following:

- All SBA loan proceeds will be used only for business related purposes as specified in the loan application.
- To the extent feasible, I will purchase only American-made equipment and products.
- None of the Applicant's direct, indirect, or future revenues, or revenues of any affiliated business(es) are derived from activities that are illegal under federal, state or local law, including activities that support the end-use of marijuana products, including leasing of collateral property to a third party that derives revenue from illegal activities.
- I authorize the SBA 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, as amended, and Small Business Investment Act, as amended.
- I agree that if the SBA approves this application, I will not for at least two years hire an employee or consult anyone who was employed by the SBA during the one-year period prior to the disbursement of the debenture.
- I certify I have not paid anyone connected with the Federal Government for help getting this financial assistance.



## Application for Section 504 Loans

### Section Three: Statements Required by Law and Executive Order and Certifications

(Signed by the Applicant and Associates)

- I 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 assistance in return for any type of compensation to help get this application approved.
  - I understand that I need not pay anybody to deal with SBA.
  - I also understand that a Certified Development Company may charge the Applicant a percentage of the loan proceeds as set forth in SBA regulations as a fee for preparing and processing the loan applications.
  - I agree to pay for or reimburse the CDC or the 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.
- I understand that regulations issued by the SBA prohibit the making of loans to relocate any operations of a small business that will cause a net reduction of one-third or more in the workforce of the Applicant company or a substantial increase in unemployment in any area of the country.

In the event that proceeds from this loan are used to relocate an EPC/OC (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.
- If my business exceeds the small business size standard by more than 25%, I agree to use SBA's financial assistance within a labor surplus area.
- No overlapping relationship exists between the Applicant, including its Associates, and the CDC, including its Associates, or any other lender providing financing for the project, that could create an appearance of a conflict of interest as defined in 13 CFR 120.140 or violate 13 CFR 120.851. No such relationships existed within six months of this application or will be permitted to exist while assistance is outstanding.
- I authorize disclosure of all information submitted in connection with this application to the financial institution agreeing to participate with SBA's guaranteed debenture.
- I waive all claims against SBA and its consultants for any management and technical assistance that may be provided.
- In consideration for assistance from the Small Business Administration, I hereby agree that I will comply with all Federal laws and regulations to the extent that they are applicable to such assistance, including conditions set forth in this application.
- I, my spouse, or any member of my household, or anyone who owns, manages, or directs the business or their spouses or members of their households do not work for the SBA, Small Business Advisory Council, SCORE or ACE, any Federal agency, or the participating lender. If someone does, the name and address of such person and where employed is provided on an attached page.

**Certification as to Application Accuracy - Criminal Penalties for False Statements** – The undersigned certifies that all information provided to the CDC, and that all information in, and submitted with this application in Section One and Section Two, including all exhibits, is true and complete to the best of his or her knowledge. The undersigned acknowledges that the application and exhibits are submitted to the CDC and to SBA so that the CDC and SBA can decide whether to approve this application. Any future submissions of information to the CDC must be accompanied by a certification as to the accuracy of that information.

The undersigned acknowledges that whoever makes any false statement or report, or willfully overvalues any land property or security for the purpose of influencing in any way the action of the SBA under the Small Business Investment Act, as amended, may be fined up to \$250,000 and/or be put in jail for up to 5 years under 18 USC § 1001, may be fined not more than \$5,000 and/or put in jail for not more than 2 years under 15 USC 645, and if false statements are submitted to a Federally insured institution, may be punished by a fine of not more than \$1,000,000 or by imprisonment for up to 30 years, or both, pursuant to 18 U.S.C. 1014. The



## Application for Section 504 Loans

### Section Three: Statements Required by Law and Executive Order and Certifications

(Signed by the Applicant and Associates)

undersigned further acknowledges that, in connection with a 504 loan, submission of any false statement to the CDC or SBA or submission of any record to the CDC or SBA omitting material information can result in civil money penalties and additional monetary liability up to three times the amount of damages which the Government sustains because of the false statement under the False Claims Act, 31 U.S.C. 3729.

The Applicant's authorized representative must sign below. If the project involves an EPC/OC structure, an authorized representative for each co-borrower must sign. Attach additional signature pages if needed.

Legal Name of Applicant Business: \_\_\_\_\_ EPC or OC: \_\_\_\_\_

DBA/Trade Name (if applicable): \_\_\_\_\_

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name of Authorized Representative: \_\_\_\_\_ Title: \_\_\_\_\_

Attested By: \_\_\_\_\_ (seal, if required)

Legal Name of Business: \_\_\_\_\_ EPC or OC: \_\_\_\_\_

DBA/Trade Name (if applicable): \_\_\_\_\_

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name of Authorized Representative: \_\_\_\_\_ Title: \_\_\_\_\_

Attested By: \_\_\_\_\_ (seal, if required)

Each Associate of the Applicant must sign below. Each individual should only sign once. Attach additional signature pages if needed.

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

Print Name: \_\_\_\_\_

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

Print Name: \_\_\_\_\_

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

Print Name: \_\_\_\_\_

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

Print Name: \_\_\_\_\_

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

Print Name: \_\_\_\_\_



## Application for Section 504 Loans

Section Four: Completed by the CDC

<b>Name of Certified Development Company</b>	<b>CDC Number, Location ID, and FIRS No.</b>	
<b>CDC Point of Contact (Full Name)</b>	<b>CDC Phone Number</b>	<b>CDC POC Email</b>
<b>CDC or Contractor Underwriter Name</b>	<b>Underwriter Employment Status</b>	
	CDC Employee    Contractor	
<b>Submission Method (Check if applicable)</b>	<b>CDC's Lead SBA Office</b>	
ASM    PCLP		

<b>Name of Third-Party Lender (TPL)</b>	<b>TPL ID# (Location ID)</b>	
<b>TPL Point of Contact Full Name</b>	<b>TPL POC Phone Number</b>	<b>TPL POC Email</b>
<b>TPL Address</b>		
<b>Name of Interim Lender (IL) (If not the TPL)</b>	<b>Interim Lender ID# (Location ID)</b>	
<b>Interim Lender Point of Contact Full Name</b>	<b>IL POC Phone Number</b>	<b>IL POC Email</b>
<b>Interim Lender Address</b>		

<b>Applicant Business Name</b>	<b>Applicant Business SSN/Tax ID</b>	<b>Applicant NAICS Code</b>
<b>Is the Applicant an Eligible Passive Company</b>	<b>If the Applicant is an EPC, is the OC a:</b>	
Yes    No	Guarantor    Co-Applicant	

1. Does the Applicant project involve debt refinancing? Yes    No  
 If yes, with or without expansion? **With expansion    Without expansion**  
 If debt refinancing with expansion, is the debt being refinanced the debt of the TPL? Yes    No  
 If yes, then the application must be processed through SLPC and not through PCLP authority  
 If debt refinancing without expansion, the application must be processed through SLPC and not through PCLP authority.
  
2. What size standard is the CDC using to qualify the application? **Industry    Alternative**
3. Is the Applicant located in a rural or urban area? **Urban    Rural**
4. Is the Applicant a New Business? Yes    No  
 If no, how long has the business been in operation? \_\_\_\_\_
5. Is the Applicant using project funds to relocate? Yes    No



## Application for Section 504 Loans

Section Four: Completed by the CDC

6. If the project property is considered “Special Purpose” (as defined in SOP 50 10), has the Applicant or its affiliates received approval for a “Special Purpose” project previously? **Yes No**
7. Are there any licensing requirements that the Applicant must comply with to operate the business? (If yes, provide copies of the licenses or expected timeline to obtain in Exhibit 24) **Yes No**
8. Project Funding Sources and Uses<sup>1</sup>:

Describe Project: \_\_\_\_\_

	SBA	Third Party Lender <sup>2</sup>	Borrower Contribution <sup>3</sup>	Other Source <sup>4</sup>	Totals
Land/Building Purchase	\$	\$	\$	\$	\$
New Construction/Remodeling/Building Improvement	\$	\$	\$	\$	\$
Machinery/Equipment	\$	\$	\$	\$	\$
Debt to be Refinanced	\$	\$	\$	\$	\$
Eligible business expenses under Debt Refinancing	\$	\$	\$	\$	\$
Professional Fees (e.g. appraiser, architect, legal)	\$	\$	\$	\$	\$
Other Costs (e.g., construction contingency, interest on interim financing)	\$	\$	\$	\$	\$
<b>Totals</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

If there is an amount in the Other Source column in the table above identify the source and describe the nature of the funds (e.g. grant, line of credit, etc.): \_\_\_\_\_

9. Does this project involve interim financing? **Yes No**

If yes, provide the dollar amount of interim financing \$ \_\_\_\_\_

<sup>1</sup> The 504 loan proceeds may be used to reimburse the Applicant for any expenditure it incurred that is directly attributable toward the Project; if the expenditure was for the land to be used in the Project, generally the Applicant must have acquired the land with financing for a term of 3 years or less and prior to applying to SBA for the 504 loan.

<sup>2</sup> Any debt on the Project Party may be consolidated into the Third-Party Loan, but the consolidation must not improve the lien position of the Lender on the pre-existing debt, unless the debt is a previous Third-Party Loan.

<sup>3</sup> The borrower contribution must be cash or property that is part of the Project Property and must not be derived from an SBA loan program. If the contribution is borrowed, the interest rate must be reasonable and any lien on the project assets must be subordinate to the liens securing the 504 loan, and the loan must not be repaid at a faster rate than the 504 loan.

<sup>4</sup> If the other source of financing is from a federal source, note that no more than 50% of eligible project costs can be from federal sources, whether received directly or indirectly through an intermediary.



## Application for Section 504 Loans

Section Four: Completed by the CDC

10. Does the project create or retain the required number of jobs per debenture amount? **Yes**   **No**

If no, is the project eligible based on the CDC's overall portfolio job ratio? **Yes**   **No**

11. What is the CDC's overall portfolio job ratio as of the date of its last Annual Report? \_\_\_\_\_

12. What Economic Development Objectives are Met by the Applicant Project (check all that apply)

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>Business District Revitalization</li> <li>Business restructuring from Federally Mandated Policies Affecting the Environment</li> <li>Changes Necessitated by Federal Budget Cutbacks</li> <li>Community or Area Development</li> <li>Enhanced Economic Competition</li> <li>Expansion of Exports</li> <li>Located in a HUBZone</li> </ul> | <ul style="list-style-type: none"> <li>Manufacturing Firm</li> <li>Located in an Opportunity Zone</li> <li>Reduce Energy Use By 10%</li> <li>Reduces Unemployment in Labor Surplus Area</li> <li>Renewable Energy Production</li> <li>Rural Development</li> <li>Sustainable Building Designs</li> <li>Veteran-Owned Business</li> <li>Women-Owned Business</li> </ul> |
|--|--|

13. If any of the boxes below are checked, the application must be submitted to SLPC and may not be processed under PLCP delegated authority. In addition, if one of the first four boxes below are checked, SBA Standards of Conduct Committee approval will be required prior to issuance of an SBA loan authorization. If the last box below is checked, the Applicant must submit a statement of no objection from the pertinent department or military service in accordance with the procedures in SOP 50 10. Provide copies of the documents in Exhibit 26.

SBA employee, or the household member of an SBA employee, is a sole proprietor, partner, officer, director, or stockholder with a 10 percent or more interest of the Applicant. A "household member" of an SBA employee includes an SBA employee's spouse, minor children, blood relatives, and the blood relatives of the employee's spouse, who live in the same home as the employee.

Former SBA employee, who has been separated from the SBA for less than one year prior to the request for financial assistance, is an employee, owner, partner, attorney, agent, owner of stock, officer, director, creditor or debtor of the Applicant.

Member of Congress, or an appointed official or employee of the legislative or judicial branch of the Federal Government, is a sole proprietor, general partner, officer, director, or stockholder with a 10 percent or more interest, or household member of such individual, of the Applicant.



## Application for Section 504 Loans

Section Four: Completed by the CDC

A member or employee of a Small Business Advisory Council or a SCORE volunteer is a sole proprietor, general partner, officer, or director of, or stockholder with a 10 percent or more interest in (or a household member of such individuals), of the Applicant.

Government employee of another department or agency of the Federal Government having a grade of at least GS-13 or higher is a sole proprietor, general partner, officer, or director of, or stockholder with a 10 percent or more interest in, (or household member of such individuals), the Applicant.

14. Has the CDC had staffing changes since last debenture request? **Yes** **No**
- If yes, has the new staff received SBA clearance via the Form 1081 clearance process? **Yes** **No**

### Required Exhibits

Select and upload the applicable exhibits into E-Tran

ASM CDCs must complete and upload Exhibits 1-3, 11-16, 19-28 into E-Tran (as indicated by an asterisk after the exhibit number) and retain all other exhibits in the loan file.

PCLP CDCs must complete and upload Exhibits 1-3 and 11 into E-Tran and complete and retain Exhibits 4-10 and 12-28 in the loan file.

Exhibit 1\*: A credit memorandum, which addresses all the issues that the current version of the SOP 50 10 requires to be addressed in the credit memorandum, including, but not limited to the CDC's credit analysis, a history and description of the business, and analysis of management ability (including a description of the qualifications and background of the Associates involved in day-to-day management of the business), and discussion demonstrating how the Applicant does not have credit available elsewhere.

Exhibit 2\*: Loan Authorization. The CDC must upload into E-Tran the draft loan Authorization reflecting the proposed terms of the Project.

Exhibit 3\*: SBA Form 413, Personal Financial Statement (or equivalent) signed and current within 90 days for each proprietor, partner or stockholder with 20% or more ownership of the Applicant, and, if different, each owner with 20% or more ownership of the EPC, as well as copies of federal income tax returns for the last one year.

Exhibit 4: Applicant Size Standard Determination.

Document how the Applicant qualifies under one of the following:

- A) Alternative Size Standard – Include balance sheets, income statements, and tax returns for the previous 2 years or the number of years the Applicant has generated revenue, whichever is less; OR
- B) Industry Size Standard - Include balance sheets, income statements, and tax returns for the previous 3 years, or the number of years the Applicant has generated revenue, whichever is less.



## Application for Section 504 Loans

Section Four: Completed by the CDC

Exhibit 5: A balance sheet and income statement dated within 120 days prior to submission to SBA and an aging of the accounts receivable and accounts payable. If the Applicant is a new business, provide a proforma balance sheet with assumptions.

Exhibit 6: Projected, annualized income statement for the first two years after the loan is received along with assumptions used.

Exhibit 7: For a new business, a monthly cashflow analysis for the first 12 months of operation or for three months beyond the breakeven point (whichever is longer) together with assumptions used.

Exhibit 8:

- Collateral securing the loan for each short-term and long-term loan that the business currently has outstanding or has planned for the next 12 months (other than the 504 loan). Please indicate whether each loan is current or delinquent.
- A schedule of current debts. Include the original dates and amounts, monthly payments, interest rates, present balances owed, maturities, and to whom payable.

Exhibit 9: A schedule of any previous government financing received by the Applicant or any affiliated company of the Applicant as well as any Associate of the Applicant. Include the name of the agency (Federal, State or local), original date and amount, outstanding balance, status of the loan (current, delinquent, technical default, paid in full, or charged off), and collateral securing the loan.

Exhibit 10: The names of affiliated or subsidiary businesses (as determined under 13 CFR 121.301(f)) and their fiscal year-end financial statements and/or federal income tax returns for the last two years (or three years, if the industry size standard is being used to qualify under size standards). Concerns and entities are affiliates of each other when one controls or has the power to control the other, or a third party (or parties) controls or has power to control both. For example, affiliation may arise through ownership, common management (including through a management agreement), or when there is an identity of interest between close relatives with identical, or substantially identical, business interests.

Exhibit 11\*: For an Applicant that is or will be operating under a Franchise/license/dealer/jobber or similar agreement:

- Non-PCLP CDCs: If the agreement meets the FTC definition of “franchise,” the CDC must identify the name of the franchise and the SBA Franchise Identifier Code when entering the application into E-Tran. The CDC must ensure that the brand name (and, where applicable, the type of agreement) the Applicant will be operating under matches the brand name (and, where applicable, the type of agreement) listed on the Directory. (If the Applicant operates under multiple agreements, the CDC must enter into E-Tran the name and SBA Franchise Identifier Code, if applicable, of the brand that generates the largest amount of the Applicant’s revenue, and identify all other brands and their SBA Franchise Identifier Codes, if applicable, in its credit memorandum submitted as Exhibit 1.) If the CDC determines that the Applicant’s brand does not meet the FTC definition of a franchise and it is not on the SBA Franchise Director, then the CDC needs to explain its determination in its credit memorandum when submitting the application to the SLPC and provide the agreement and any additional documentation required by the brand for SBA’s review and final determination. The CDC





## Application for Section 504 Loans

### Section Four: Completed by the CDC

also must provide contact information for the franchisor/licensor (name and email address only).

- PCLP CDCs: If the agreement meets the FTC definition of “franchise,” the PCLP CDC must document in its file that the Applicant’s brand is on the Directory and identify the name of the franchise and SBA Franchise Identifier Code when entering the application into E-Tran. The PCLP CDC must ensure that the brand name (and, where applicable, the type of agreement) the Applicant will be operating under matches the brand name (and, where applicable, the type of agreement) listed on the Directory. (If the Applicant operates under multiple brands, CDC must enter into E-Tran the name and SBA Franchise Identifier Code, if applicable, of the brand that generates the largest amount of the Applicant’s revenue and identify all other brands and their SBA Franchise Identifier Codes, if applicable, in Exhibit 1.) If the Applicant’s brand is not on the Directory and the PCLP CDC determines the brand does not meet the FTC definition, the PCLP CDC must submit the documents to [franchise@sba.gov](mailto:franchise@sba.gov) for a final determination by SBA. The PCLP CDC must provide contact information for the franchisor/licensor (name and email address only). After receiving SBA’s final determination, the PCLP CDC may proceed with approving the loan under its delegated authority.

Exhibit 12\*: A copy of key cost documents such as contractor costs, estimates, vendor quotes for machinery and equipment, etc. as well as an itemized listing of estimated professional fees (e.g. appraiser, architect, legal, etc.). Full or partially executed purchase/sale agreements must be provided.

Exhibit 13\*: An independent appraisal for project real estate (as required by SOP 50 10).

Exhibit 14\*: Environmental analysis (if applicable).

Exhibit 15\*: A letter of intent/term sheet from the Third-Party Lender stating the terms and conditions of its participation and the reason why it will not finance the entire project. For Loans made for debt refinancing, the TPL’s letter must provide the certifications required by the current version of SOP 50 10 (or any successor provision thereto) related to debt refinancing.

Exhibit 16\*: USCIS verification of the USCIS status of any alien who is an owner of 20% or more of the small business Applicant or any person who controls (as defined by SBA regulations and policies) the small business Applicant.

Exhibit 17: Credit reports for the Applicant, its owner(s) (regardless of ownership percentage), and affiliates who are guarantors (Credit reports are not required for non-guarantor affiliates).

Exhibit 18: A completed SBA Form 159, Fee Disclosure Form and Compensation Agreement. (CDCs must upload the form into E-Tran in accordance with SOP 50 10 and must retain all SBA Forms 159 in their loan files.) In accordance with SOP 50 10, identify if the Small Business Applicant used any Agent (packager, loan broker, accountant, lawyer, etc.) to assist in (a) preparing the loan application or any related materials and/or (b) referring the loan to the lender.

Exhibit 19\*: For “Debt Refinancing with Expansion:” Copies of the most current debt and lien instruments and transcript of account or equivalent for any debts being refinanced and certifications required for refinancing.



## Application for Section 504 Loans

### Section Four: Completed by the CDC

Exhibit 20\*: For “Debt Refinancing Without Expansion:” Copies of the transcript(s) of account or equivalent for any debts being refinanced, certifications required for refinancing and, if the debt was previously refinanced within two years of the date of application, copies of the most current debt and lien instruments as well as copies of the debt and lien instruments for the debt that was replaced by the most current debt.

Exhibit 21\*: Credit Alert Verification Reporting System (CAIVRS) report to document that the Applicant and its Associates, guarantors and affiliates do not have a Prior Loss to the government or Delinquent Federal Debt.

Exhibit 22\*: SBA Form 2481, “Historic Property Borrower Certification,” if applicable, in accordance with SOP 50 10. SBA Form 2481 is required at time of application and must be included as part of this exhibit.

Exhibit 23\*: If applicable, documentation showing that the small business Applicant’s products and/or services are exported or that there is a plan to begin exporting as a result of this loan. Provide the estimated total export sales this loan will support. CDCs must comply with requirements related to export activity set forth in the current version of SOP 50 10 (or its subsequent revisions).

Exhibit 24\*: If applicable, attach any licenses that are required to operate the business or describe the expected timeline and methods through which necessary licenses will be acquired (if applicable).

Exhibit 25\*: For Applicants connected, associated or affiliated with a religious organization or which may have a religious component, an SBA Form 1971, “Religious Eligibility Worksheet,” and supporting documentation, including SBA clearance documents.

Exhibit 26\*: Documents related to the Standards of Conduct Committee review or clearance of the Statement of No Objection.

Exhibit 27\*: Identify all Applicant pending lawsuits (including divorce) and attach copies of the proceedings. CDC should provide comments on insurance coverage and a letter from the Applicant’s attorney on the impact of the pending litigation.

Exhibit 28\*: Provide all documentation pertaining to the criminal backgrounds of the applicant and its associates.



## Application for Section 504 Loans

Section Four: Completed by the CDC

### CDC Agreements and Certifications

- The CDC agrees that if SBA approves this application, it will not for at least two years after the disbursement of the debenture hire an employee or consult anyone who was employed by the SBA during the one-year period prior to the disbursement of the debenture.
- The CDC certifies that it does not own any stock or equity in the Small Business Applicant and that no Associate of the CDC, or close relative of an Associate of the CDC, is an officer, director or holder of any direct or indirect financial interest in the Small Business Applicant or has had an equity interest in the Small Business Applicant within 6 months prior to the date of the application.
- The CDC authorizes disclosure of all information submitted in connection with this application to the financial institution agreeing to participate with the SBA's guaranteed debenture or loan.
- The CDC certifies that it will comply with 13 C.F.R. Sections 112, 113, and 117 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 will require appropriate reports and access to books and records. These requirements are also applicable to anyone who buys or takes control of the business. He/she realizes that if he/she does not comply with these nondiscrimination requirements, SBA can call, terminate, or accelerate repayment on his/her loan.
- As consideration for any Management and Technical Assistance that may be provided, the CDC waives all claims against SBA and its consultants.
- The CDC certifies that it has not paid anyone connected with the Federal Government for help in getting this financial assistance. The CDC also agrees to report to the SBA Office of Inspector General, 409 3rd Str., SW, Washington, D.C. 20416 any Federal Government employee who offers in return for any type of compensation to help get this application approved.
- The CDC states, to the best of its knowledge and belief, that if any funds have been paid or will be paid to any person for influencing or attempting to influence any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, it shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with 13 CFR Part 146. CDC acknowledges that submission of this disclosure is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352 and that any person who fails to file or amend a declaration required to be filed or amended shall be subject to a civil penalty in the amounts set forth in 13 CFR § 146.400.
- The CDC in consideration for assistance from SBA hereby agrees that it will comply with all Federal laws and regulations enforced to the extent that they are applicable to such assistance, including conditions set forth in this application.
- The CDC acknowledges that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, liability for treble damages under the False Claims Act, 31 U.S.C. 3729-3733, debarment and suspension, lender enforcement remedies under 13 C.F.R. Part 120, and other consequences.
- The CDC certifies that the credit analysis related to this application has been reviewed and approved by the CDC Board of Directors.
- The undersigned certifies that all information in this application and the exhibits is true and complete to the best of his/her knowledge and is submitted to SBA so that the CDC and SBA can decide whether to approve this application.



## Application for Section 504 Loans

### Section Four: Completed by the CDC

- No CDC or Associate of CDC has a real or apparent conflict of interest with Applicant, any of Applicant's Associates, or any of the close relatives of Applicant's Associates.
- No CDC or Associate of a CDC is incarcerated, on parole, or on probation or is a convicted felon or has an adverse final civil judgment (in a case involving fraud, breach of trust, or other conduct) that would cause the public to question the CDC's business integrity.
- No CDC or any Associate of CDC has accepted funding from a source that restricts, prioritizes, or conditions the types of small businesses that CDC may assist under an SBA program or that imposes any conditions or requirements upon recipients of SBA assistance inconsistent with SBA's loan programs or regulations.
- None of the Loan proceeds will directly or indirectly finance purchase of real estate, personal property or services from CDC or an Associate of CDC.
- Neither the Applicant, an Associate of Applicant, close relative, nor household member of an Associate of Applicant is required to invest in CDC.
- None of the proceeds of the loan will be used to acquire space in project for which CDC has issued a real estate forward commitment.
- No employee of a community organization such as a certified development company or microlender (or a close relative or household member of such an individual) is a sole proprietor, general partner, officer, director, employee, attorney, agent, creditor or debtor, of, or has a financial interest in, the Applicant.
- No community organization or its officers or its directors have a significant financial interest in the Applicant unless the organization has been inactive in packaging SBA loans for at least two years prior to the application date.

For PCLP Loans, the PCLP CDC makes the following additional certification: The CDC hereby certifies that the information in this application is true and correct, to the best of its knowledge, and that it has exercised due diligence to obtain the true and correct information. The CDC is aware and acknowledges that the SBA review of this form is a quick look at eligibility intended to provide limited protection to SBA and the CDC from making an ineligible loan, and that if an SBA loan number is assigned and SBA later learns that the loan is not eligible, SBA may pursue any available remedy against the CDC including a suit to recover the amount of any money wrongfully paid by SBA and administrative actions under 13 C.F.R. Part 120, Subpart I.

CDC Official Signature: \_\_\_\_\_ Date of Signature: \_\_\_\_\_

CDC Official Name: \_\_\_\_\_ Official Title: \_\_\_\_\_

Attested By: \_\_\_\_\_

**Please Note:** The estimated burden for completing this form and exhibits is 2.5 hours for PCLP CDCs, 2.5 hours for ASM submissions and 3.5 hours for non-ASM submissions. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments or questions on the burden estimate should be sent to U.S. Small Business Administration, Director, Records Management Division, 409 3<sup>rd</sup> Street. S.W. Washington, D.C. 20416 and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, DC 20503.