

# SBA 504 LOAN APPLICATION CHECKLIST

## PERSONAL INFORMATION:

- Personal Financial Statement** (signed and dated within 90 days) – on owners with 20% or more ownership.
- Most Recent Year Personal Tax Return** – for owners with 20% or more ownership. Must include the K-1s.
- Driver’s License** – for all principals with 20% ownership or more

## BUSINESS INFORMATION:

- 2 years Business Tax Returns** – for the Real Estate Holding Company AND the Operating Company
- Current (within 90 days) Profit & Loss and Balance Sheet along with the Aging Reports for Account Payables and Account Receivables)** for the Real Estate Holding Company and the Operating Company
- Debt Schedule**
- Prior Gov’t Debt** – Details on ALL prior government debts
- Affiliates Financial Statements** – 2 years tax returns for all businesses considered an affiliate
- Projections – for start-ups, business acquisitions, or businesses with lack of historical cash flow**
  - 2 Years Projected Income Statement for Operating Company- include written description of the detailed income and expense assumptions with supporting documentation.
  - New Businesses - provide business plan & monthly cash flow analysis for the first 12 months.
- Corporate Documentation for R/E Holding Co, Operating Entity and/or any Affiliate Guarantors** –
  - Certificate of Organization or Articles of Incorporation for the registration with the State
  - Operating agreement, Bylaws or Partnership Agreement

## LENDER’S INFORMATION:

- Lender’s Credit Memo**
- Copy of Lenders Credit Bureau(s)**
- Lender’s Commitment Letter** – example letter to be provided by CDC
- Appraisal** – for project real estate and/or for any used equipment being purchased under the 504 loan. Appraisal must include **Minnesota Business Finance/U.S. Small Business Administration** as an intended user

## PROJECT INFORMATION:

- MBFC 504 Loan Application Forms (attached)**
- SBA Form 1244** – ALL areas and questions must be completed & initialed
- Project Cost Documentation** -
  - Purchase Agreement with all amendments,
  - Itemized Construction & Equipment bids on vendor letterhead. If project costs include the construction or expansion of existing building, the NEHRP provisions will need to be addressed.
- Refinance Debt:** See additional MBFC checklist
- Franchise, Dealer, Supply, or License Agreement:** if applicable
- IRS Tax Form 8821 and Taxpayer Consent Form** – completed by the operating company. If the loan involves the purchase of a business, the SELLER must also sign to verify previous 2-year tax returns.
- Environmental Questionnaire** - completed and signed by Lender and Current Property Owner.

*MBFC reserves the right to request specific to your project information that is not listed above.*

# 504 Loan Application

**OPERATING ENTITY:** \_\_\_\_\_

**Employment Question:**

**How many full-time equivalent employees are presently employed?**

(ex. Four (4) employees working 10 hours per week each would make up 1 full-time employee)

\_\_\_\_\_

**How many full-time employees do you estimate to have 2 years after the proposed project is complete?**

\_\_\_\_\_

1. Have you or any officer of your company ever been involved in bankruptcy or insolvency proceedings? \_\_\_\_\_
  
2. Are you or your business involved in any pending or prior lawsuits? \_\_\_\_\_
  
3. Are you current on all federal state and local taxes, including income, payroll, real estate and sales tax? \_\_\_\_\_
  
4. Is ANY owner delinquent on any federal debt or had prior loss to the government? \_\_\_\_\_
  
5. Does the State require your business to carry workers compensation, professional liability/malpractice or liquor liability insurance? \_\_\_\_\_
  
6. Is the subject property listed on the National Register of Historic Places or have any historical significance? \_\_\_\_\_
  
7. Do you operate under any Franchise, License, Dealer, Jobber, or similar agreement? \_\_\_\_\_
  
8. Are all owners U.S. Citizens, if no, provide documentation of residency \_\_\_\_\_
  
9. The following page lists ineligible business models for the 504 loan. Do any of these apply to the Applicant business?  
\_\_\_\_\_

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

Date \_\_\_\_\_

Ineligible Business Models – if any of the following are met, the Applicant is ineligible for SBA 504 financing:

1. Businesses that are engaged in any activity that is illegal under federal (e.g. marijuana), state, or local law
2. Businesses that restrict patronage for any reason other than capacity or that have discriminatory hiring practices
3. Small businesses that obtain more than one-third of their annual gross revenue for the prior year, including rental income, from legal gambling activities
4. Businesses with an Associate who is incarcerated, on probation, on parole, or is under indictment for a felony or any crime involving or relating to financial misconduct or a false statement
5. Businesses that present live performances of a prurient sexual nature or that derive more than de minimis gross revenue, directly or indirectly, through the sale of products, services, or the presentation of any depictions or displays of prurient sexual nature
6. Prior loss to the Government or Delinquent Federal Debt
7. Speculative businesses
8. Financial businesses primarily engaged in the business of lending, such as banks, finance companies, and factors
9. Passive businesses owned by developers and landlords that do not actively use or occupy the assets acquired or improved with the loan proceeds
10. Life insurance carriers
11. Businesses located in foreign countries
12. Businesses using pyramid or multilevel sales distribution plans
13. Government-Owned Entities, except for businesses owned or controlled by a Native American tribe
14. Loan Packagers, including Lender Service Providers, other than businesses earning more than one third of their gross revenue from packaging SBA loans
15. Businesses in which an SBA Lender or any of its Associates owns an equity interest
16. Businesses primarily engaged in political or lobbying activities
17. A SBLC may not make a loan to an Applicant that has received financing (or a commitment for financing) from a SBIC that is an Associate to the SBLC
18. Businesses located within the Coastal Barrier Resource System
19. Non-profit businesses

### 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.

A separate demographic information section should be completed for each individual who holds or controls 20 percent or more of the beneficial ownership in the Applicant small business.

Owner's Legal Name (First, Middle, Last name)	
Owner's Position	
Veteran Status	<input type="checkbox"/> Non-Veteran; <input type="checkbox"/> Veteran; <input type="checkbox"/> Service-Disabled Veteran; <input type="checkbox"/> Spouse of Veteran; <input type="checkbox"/> Not Disclosed
Sex	<input type="checkbox"/> Male; <input type="checkbox"/> Female
Race (more than 1 may be selected)	<input type="checkbox"/> American Indian or Alaska Native; <input type="checkbox"/> Asian; <input type="checkbox"/> Black or African American; <input type="checkbox"/> Native Hawaiian or Pacific Islander; <input type="checkbox"/> White; <input type="checkbox"/> Not Disclosed
Ethnicity	<input type="checkbox"/> Hispanic or Latino; <input type="checkbox"/> Not Hispanic or Latino; <input type="checkbox"/> Not Disclosed

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Owner's Position	
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## ***Authorization to Release Information***

I/We hereby authorize the release to Minnesota Business Finance Corporation of any information they may require at any time for any purpose related to my/our credit transaction with them.

I/We further authorize Minnesota Business Finance Corporation to release such information to any entity they deem necessary for any purpose related to my/our credit transaction with them.

I/We hereby certify that the enclosed information, including any attachments or exhibits provided herewithin or at a later date, is valid and correct to the best of my/our knowledge. I authorize SBA/CDC to make inquiries as necessary to verify the accuracy of the information provided and to determine creditworthiness.

I/We were informed that the SBA does not require applicant to employ an agent or representative (including MBFC) to assist with the loan application, packaging or referring.

\_\_\_\_\_  
*Signature*

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

\_\_\_\_\_  
*Applicant/Borrower*