

**SBA 504**

# **LOAN APPLICATION**

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## 504 Loan Application Contents

Document Checklist	2
Disclosure Statement	4
Business Information	13
Project Information	15
Borrower Information	16
Personal Financial Statement (SBA Form 413)	17
Tax Transcript Verification (IRS Form 4506-C)	23
Associate(s) Information (SBA Form 1244)	25
Statements Required by Law (SBA Form 1244)	28
Additional Information and/or Comments	33

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Financing Your Business is Our Business

# 504 Loan Application Document Checklist

Business Related Documents	Description
<input type="checkbox"/> BUSINESS YEAR END FINANCIAL STATEMENTS	For the last three years, including Profit and Loss and Balance Sheets for all existing businesses involved with the application.
<input type="checkbox"/> BUSINESS INTERIM FINANCIAL STATEMENTS	For all existing businesses involved with this application, dated within 30 days. This must include an aging of accounts receivable and accounts payable report.
<input type="checkbox"/> PROJECTIONS	If the business is less than two years old, please provide projections on a month-by-month basis for the next two years. If more than two years old, annual projections are acceptable. <u>Justifiable Assumptions must be included in the project narrative</u>
<input type="checkbox"/> BUSINESS TAX RETURNS	Full copies of the last three tax returns for all existing businesses involved with this application. Please sign and date the bottom of the first page of each of tax returns.
<input type="checkbox"/> AFFILIATE BUSINESS TAX RETURNS AND FINANCIAL STATEMENTS	Copies of the last two tax returns plus an interim financial statement dated with 30 days for all affiliated businesses (if applicable). Please sign and date the bottom of the first page of each of tax returns.
<input type="checkbox"/> BUSINESS HISTORY	Information on the history of the business and key principals/managers. Please provide a business plan if your business is less than two years old.
<input type="checkbox"/> ORGANIZATIONAL DOCUMENTS	Copies for any businesses involved with this application. Includes bylaws, articles of incorporation, operating agreements, partnership agreements, IRS Letter w/ EIN, etc.
<input type="checkbox"/> LEASE DOCUMENTS	Includes leases with any existing tenants in the building, or proposed tenants in the building being acquired.
<input type="checkbox"/> PREVIOUS SBA FINANCING DOCUMENTS	Including copies of loan documents, deeds of trust, notes, etc. (if applicable).

Business Related Documents (Circumstantial)	Description
<input type="checkbox"/> TO REFINANCE ELIGIBLE DEBT	Copies of existing notes plus transcripts showing payment history.
<input type="checkbox"/> IF YOUR BUSINESS IS A FRANCHISE	Copy of Franchise Disclosure Document "FDD," and a copy of the fully executed franchise agreement.

Project Related Documents	Description
<input type="checkbox"/> COST DOCUMENTS	Copies of all project cost documents, including real estate contracts, renovation quotes, construction bids, equipment quotes, copies of notes to be refinanced, etc.
<input type="checkbox"/> ENVIRONMENTAL REPORTS	Copies of existing environmental reports or appraisals on the property.
<input type="checkbox"/> BANK COMMITMENT LETTER	Indicates the bank/lender's willingness to partner with Mo-Kan Development Inc to provide the requested financing. This letter should certify that the desired credit is unavailable to the business applicant on reasonable terms and conditions from non-Federal sources without the assistance of the 504 loan program and why. Example Attached.

# 504 Loan Application Document Checklist Continued

## Borrower Related Documents

## Description

<input type="checkbox"/>	PERSONAL TAX RETURNS	Full copies of the last three personal tax returns for every individual owning 20% or more of any of the businesses involved with this application. Please sign and date the bottom of the first page of each of tax returns.
<input type="checkbox"/>	DRIVER'S LICENSE	Copies of unexpired driver's license, front and back, or other acceptable government-issued form of identification for every individual owning 20% or more of any of the businesses involved with this application.
<input type="checkbox"/>	LEGAL PERMANENT RESIDENTS	Provide a legible copy of documentation (front and back) evidencing resident status.

## In-Application Documents

## Description

<input type="checkbox"/>	LOAN DISCLOSURE STATEMENT	Signature required at end.	4
<input type="checkbox"/>	FINANCIAL PROJECT INFORMATION	Business information, debt schedules, project information, and borrower information.	13
<input type="checkbox"/>	PERSONAL FINANCIAL STATEMENT (SBA FORM 413)	Every individual owning 20% or more of any of the entities involved with this application must provide a personal financial statement dated within 30 days. Spouses completing a joint personal financial statement must BOTH sign the form or alternatively submit separate statements.	17
<input type="checkbox"/>	TAX TRANSCRIPT VERIFICATION (IRS FORM 4506-C)	For every existing business involved with this application. This IRS form, required by law, verifies that individual business tax returns on file with the IRS match copies of the tax returns provided with this application.	23
<input type="checkbox"/>	ASSOCIATE(S) INFORMATION (SBA FORM 1244)	Separate forms must be completed for every individual owning 20% or more of the business, including all officers, directors, and key employees. Boxes 1 through 9 must be initialed by hand.	25
<input type="checkbox"/>	STATEMENTS REQUIRED BY LAW (SBA FORM 1244)	Signature required at end.	28

# Mo-Kan Development Inc Disclosure Statement

A summary of the Small Business Administration 504 Loan Program

## The SBA 504 LOAN PROGRAM

The US Small Business Administration's (SBA) 504 loan program offers eligible small businesses a way to help finance expansion using long-term, fixed-rate financing. A 504 loan, offered in partnership with a regular loan from a participating private sector lending institution, is able to provide a business with up to 90% of a project's total financing requirements. The SBA relies on the services of a "certified development company" like Mo-Kan Development Inc to package, close, fund and service 504 loans. Mo-Kan Development Inc provides small businesses with access to the 504 loan program in six Kansas counties and throughout the state of Missouri.

This Disclosure Statement highlights routinely encountered rules associated with the 504 loan program and is intended for informational purposes only. It is not meant to be a complete listing of all relevant policies and requirements. Please visit [www.mo-kan.org](http://www.mo-kan.org) or sign up for our e-mail list to view or receive up-to-date program news.

### 1. NO REPRESENTATIONS

The funding of a 504 loan is subject to satisfactory compliance with the terms and conditions set forth in a loan commitment document known as the SBA's Terms and Conditions for Debenture Guarantee. By signing this Disclosure Statement, a small business applicant acknowledges that he/she has not relied upon any representation made by Mo-Kan Development Inc and/or its agents, and that Mo-Kan Development Inc and/or its agents have made no representations or promises to the applicant and its agents regarding a formal Mo-Kan Development Inc or SBA approval of a loan or of qualifications to receive a loan through the 504 loan program.

### 2. OBJECTIVE OF THE 504 LOAN PROGRAM

The 504 loan program was created by Congress in 1986 as an economic development financing tool to promote both job creation and wealth creation by encouraging businesses to acquire ownership of commercial real estate and other fixed assets utilized in the day-to-day operation of that small business. The overall objective of the 504 loan program is twofold.

First, the program is intended to encourage eligible businesses to invest in real estate or capital equipment primarily used by that business. It does this by offering

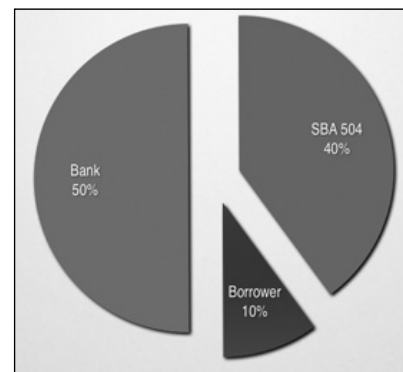
attractive, long-term, below-market-fixed-rate financing with typically less money down than under a conventional financing scenario. This encourages eligible small businesses to acquire real estate and capital equipment sooner rather than later in order to begin to build wealth and equity for their firms which could be utilized for future expansion financing or even as a retirement or exit strategy for the business principals.

Secondly and arguably more importantly in the current economy, the 504 program is designed to mitigate private sector risk by providing junior financing behind a conventional commercial loan. On a typical project, a private sector lender will finance 50% of the project cost which makes a 504 loan project a much more appealing project for most lenders because the majority of the risk falls on the 504 loan.

### 3. HOW THE SBA 504 PROGRAM WORKS

The 504 loan program is a unique example of a private/public sector financing program. A 504 loan is a second deed of trust/ second mortgage loan that sits behind a conventional private sector (but not a seller) loan. Typically, the private sector lender will finance 50% of the project cost and the 504 loan will finance up to 40% of the project cost. The borrower will have at least 10% at risk in the project and end up with two loans and two loan payments as a result of the financing structure.

Typical 504 Loan Structure



While 40%, up to a defined dollar amount, is the maximum 504 share of the project, this percentage will be less if the

borrower is a start up business or if the property being financed is a special purpose or limited use property:

- If a small business has been in operation for two years or less, it must invest a minimum 15% share of the eligible project costs, reducing the 504 participation to a maximum of 35% of the total project costs.
- If a project involves a special purpose or limited use structure (like a gas station, car wash, hotel, etc.), an eligible small business must invest a minimum 15% share of the eligible projects costs, reducing the 504 participation to a maximum of 35% of the total project costs.
- If the project involves BOTH a start-up business and a special purpose or limited use building, a small business must invest a minimum 20% share of the eligible projects costs, reducing the 504 participation to a maximum of 30% of the total project costs.
- If the project involves a small business that already has an outstanding SBA 504 loan for a special purpose or limited use structure (not under a 504 Refinance with Expansion structure), an eligible small business must invest a minimum 20% share of eligible project costs, reducing the 504 participation to a maximum 35% of the total project costs.

#### **4. TWO STAGE PROCESS**

There are two distinct stages involved with securing financing under the 504 loan program:

- An “application” (the basis of this information package) which is used to generate a loan approval, and,
- A “funding” which occurs once all the collateral conditions that were part of the approval have been met.

The funding of a 504 loan will only occur once a project is complete and all the final costs fully disbursed. This requires a partner private sector lender to provide a short-term bridge or construction loan equivalent to the 504 share of the project while documents are prepared and submitted to the bond market in New York (the source of 504 proceeds) for the actual 504 loan funding.

#### **5. APPROVAL PROCESS**

In order to begin the application process, the following information is required:

- Completed 504 application, including execution of this Disclosure Statement
- Signed Professional Service agreement with deposit
- All applicable documents listed on document checklist

Please keep in mind the above is not a comprehensive list of all information required to allow for a loan decision to be made. For a complete list of all information required to complete most 504 applications, please refer to the 504 Loan Program Document Checklist.

#### **6. INTEREST RATES**

As the partner certified development company associated with processing, approving and funding a 504 loan, Mo-Kan Development Inc will facilitate the sale of a “debenture” (a bond) to provide the 504 financing share of an approved project.

Individual requests for financing under the 504 loan program are aggregated each month into a single pool that may contain between 300 and 500 loan requests from all across the United States. This pool becomes an individual debenture which receives the full faith and backing of the US Government and is then offered to institutional investors. A 504 loan pool is sold once a month on the New York market. At the time of sale, a FIXED Interest Rate will be assigned to that debenture pool and stays with the individual loans included in that pool, for the life of the loan or until that loan is paid off.

It is important to remember that the 504 interest rate cannot be set for a borrower until their loan request has been included in a specific debenture offering, which is then subsequently sold and funded. So, unlike the private sector lender loan in the senior position on a 504 project, a borrower won't actually know what their final 504 interest rate will be until the 504 debenture funds.

#### **7. FEES AND COSTS**

The 504 loan program is intended to be a taxpayer-neutral program in the sense that minimal and hopefully no taxpayer dollars are used to maintain the program. Borrowers pay fees to secure their 504 loans (in the same way that banks charge borrowers fees) and these fees ensure that the program remains largely independent of taxpayer subsidization. The majority of the fees associated with the 504 program are defined by statute as part of the federal budgeting process that occurs each year.

Generally speaking, there are two broad categories of fees associated with securing a 504 loan, and these are separate and independent of any fees a partner bank or other private sector lender might charge for their loan. There are one-time 504 loan program fees, usually built into the 504 loan, and there are fees built into the interest rate a borrower pays when a 504 loan funds.

## ONE TIME FEES ASSOCIATED WITH ORIGINATING, CLOSING & FUNDING A 504 LOAN

- Funding Fee: 0.25%**  
 This fee, paid to the fiscal agent in New York who assembles the monthly 504 debenture pool, is a percentage of the 504 share of the financing and must be financed as part of the 504 debenture.
- Guaranty Fee: 0.00%**  
 This fee, paid directly to the SBA, is a percentage of the 504 share of the financing and must be financed as part of the 504 debenture.
- Processing Fee: 1.50%**  
 This fee, paid to Mo-Kan Development Inc, is a percentage of the 504 share of the financing and is typically financed as part of the 504 debenture.
- Closing Fee: \$2,500**  
 This fee is a flat fee charged to reimburse attorney and other closing costs specific to Mo-Kan Development Inc and is typically financed as part of the 504 debenture.
- Other Fees, varying with loan size.**  
 Title insurance, miscellaneous recording fees, and other minor out-of-pocket fees are a function of every commercial real estate transaction. These costs are typically financed as part of the 504 debenture.
- Underwriter's Fee: 0.400% (20 year 504 loans)  
0.375% (10 year 504 loans)**  
 This fee, paid to the underwriting firm who markets and sells the monthly 504 debenture, is a percentage of the actual 504 loan (not the 504 share of the financing) and must be financed as part of the 504 debenture.
- Balance to Borrower**  
 This will actually be a reimbursement to the borrower of an amount between \$1 and \$999. When a 504 loan funds, the percentage of the 504 share of the financing plus all the above fees, is the amount that will actually be financed. Whatever this adds to will be rounded up to the next even thousand dollars because the bond market will only work with loan amounts in even thousand dollar amounts. The difference between this rounded number and the actual number will be reimbursed to the borrower by check soon after the debenture funds.

- Bank Participation Fee: 0.50%**

This fee, paid to and collected by the partner private sector lender, is a percentage of that lender's share of the financing project. This fee is collected in addition to any other origination fees or points charged by that lender to the borrower. The small business will be responsible for paying this fee and any other origination fees a partner lender charges on its permanent first position loan outside the 504 loan project. Bank participation fees and bank origination fees associated with the permanent senior loan may not be included in the total project cost calculation for determining relative financing shares under a 504 project.

## 504 Loan Project Example

### Use of Proceeds

Purchase land & building	\$850,000
Renovations	\$100,000
Buy machinery & equipment	\$40,000
Professional Fees	\$10,000
<b>TOTAL PROJECT COST</b>	<b>\$1,000,000</b>

### 504 Financing Structure

Bank's Conventional Loan	50%	\$500,000
Net 504 Loan Proceeds	40%	\$400,000
Borrower's Contribution	10%	\$100,000

### 504 Loan Program Fees

Net 504 Loan Proceeds		\$400,000
Fiscal Agent Fee	0.25%	\$1,000
SBA Guaranty Fee	0.00%	\$0.00
CDC Processing Fee	1.50%	\$6,000
Closing Fee (example)	set	\$2,500
Other Fees (title, etc.)	varies	\$1,450
Debenture Underwriting Fee*	0.40%	\$1,650
<b>TOTAL Net 504 Loan +Fees</b>		<b>\$412,600</b>
<b>ACTUAL 504 Loan (rounded up)</b>		<b>\$413,000</b>
<b>Balance returned to borrower</b>		<b>\$400</b>

\*The Underwriting fee is a percentage of the Actual 504 loan

## FEES INCLUDED IN THE 504 LOAN PROGRAM

### EFFECTIVE INTEREST RATE

The interest rate a borrower pays under the 504 loan program is a function of the underlying cost of the debenture sold to fund that individual 504 loan ("debenture note rate") plus three additional fees that ensure the 504 program remains relatively taxpayer-neutral.

The effective 504 interest rate will vary each month in response to market pressures. Call Mo-Kan to get the most recent rate INCLUSIVE of the following three fees.

- Servicing Agent Fee: 0.100%  
This fee is paid to the servicing agent who collects the loan payment from the borrower and remits it to the institutional investor who purchased a specific debenture.
- SBA annual service Fee:
  - Regular/Refi with Expansion 0.3310%
  - Standalone Refinance 0.3560%

SBA annual service fee is paid to the SBA on all 504 loans approved during the 2025 federal fiscal year. This fee may vary each year as a result of the annual budget process and is set to ensure that the 504 loan program remains relatively taxpayer neutral.

- CDC Servicing Fee: 0.625%  
This fee is paid to Mo-Kan Development Inc from loan payment proceeds after the SBA first withholds 0.125%. The remaining balance, 0.500%, compensates Mo-Kan Development Inc for servicing actions associated with managing the loan on behalf of and in conjunction with the SBA. Statute allows a CDC servicing fee to be 0.625%, 1.000%, 1.500% or even 2.000%, but Mo-Kan Development Inc will charge the statutory minimum fee of 0.625%, or 1.0% if more than 3 entities are involved in the application.

## 8. APPLICATION FEE

It is understood that there is no charge to the applicant for filing the application with the Small Business Administration unless the application is approved by the corporation or SBA or in the event the application process is halted and through no fault of the Small Business Administration or the corporation. If the application is withdrawn, the applicant agrees to remunerate the corporation a sum equal to the actual time expended, based on an hourly rate of \$60.00 per hour, plus necessary expenses incurred and itemized. A one percent (1.0%) of the SBA loan amount or \$2,500.00, whichever is less, "good faith deposit" is required at the time the contract is commenced. The deposit will be returned less any out-of-pocket expenses as outlined in the following covenant.

The applicant will assume payment responsibilities for all loan costs which include but not limited to attorney fees for the corporation's legal counsel, attorney fees of the Applicant's legal counsel, title insurance, appraisals, environmental audits, security filings with the Secretary of State and with the county's Recorder of Deeds, life insurance, adequate hazard insurance, adequate flood insurance, and all other costs associated with the application and closing of the applicants loan request.

The Applicant will assume all responsibility for fees listed in the Terms and Conditions Debenture Agreement including but not limited to the Borrower Guaranty Fee, CDC Fee, and all other fees associated with and incurred by the processing of the loan request and delivering the debenture to market.

## 9. PREPAYMENTS OF 504 LOANS

Just as a 504 loan can only fund once a month, so too a borrower may only pay-off a 504 loan once a month, typically on the third Thursday of that month. This is a function of the particular bond instrument sold to finance 504 loans. Because of these timing issues, a borrower is encouraged to plan ahead and contact Mo-Kan Development Inc at least 30+ days in advance of an anticipated pay-off date.

Another unique characteristic of the 504 bond is the early call or prepayment penalty that is attached to the 504 loan for half the life of that 504 loan. Borrowers accessing the program get a significantly lower interest rate if the debenture that is sold to raise the funds for their loan has a prepayment penalty. As a result, borrowers looking to "fix-and-flip" or who anticipate paying off a 504 loan within two years of funding, may not find it an economically viable loan to consider. The premium associated with the early payment of a 504 loan is a function of two things: the debenture note rate (the underlying cost of funds associated with a 504 loan), and, the length of time since the loan was funded.

For purposes of illustration, the following prepayment premiums are associated with 504 loans that funded in August 2023. A unique prepayment schedule is provided to every borrower soon after their loan funds. This illustration assumes a 20 year 504 loan. Prepayment Premium based on a debenture note rate of 5.24%.

Year 1	= (100% x 5.24%) x outstanding 504 loan principal
Year 2	= (90% x 5.24%) x outstanding 504 loan principal
Year 3	= (80% x 5.24%) x outstanding 504 loan principal
Year 4	= (70% x 5.24%) x outstanding 504 loan principal
Year 5	= (60% x 5.24%) x outstanding 504 loan principal
Year 6	= (50% x 5.24%) x outstanding 504 loan principal
Year 7	= (40% x 5.24%) x outstanding 504 loan principal
Year 8	= (30% x 5.24%) x outstanding 504 loan principal
Year 9	= (20% x 5.24%) x outstanding 504 loan principal
Year 10	= (10% x 5.24%) x outstanding 504 loan principal



There is no prepayment premium after year 10. Partial or additional payments may not be made under the 504 loan program (because the investors in the bond have no way of tracking or accounting for extra payments).

#### **10. ELIGIBLE PROJECT COSTS**

For the purposes of identifying and calculating the “total project cost” for a 504-eligible project, expenditures on the following are considered ELIGIBLE COSTS under the 504 loan program:

- Purchase of land and building(s);
- Building improvements and construction costs, including FF&E costs if these items are necessary and integral to operation of the business, and a minor part of the overall project;
- Related project expenditures, e.g. appraisal, engineering, architectural and/or any environmental reporting costs;
- Construction interest and any associated interim loan fees;
- Purchase of eligible machinery and equipment with a useful life of ten or more years;
- A “limited amount” of refinancing where this is defined by the amount of the new expansion project. As a general rule, for every \$2 in new eligible costs, the 504 loan program may refinance \$1 of existing eligible costs IF the financing will provide a “substantial benefit” to the borrower AND IF the borrower has been current on all payments for at least 12 months previous AND IF the refinancing will provide better terms or rates.
- Refinancing of a conventional loan two or more years old that has been current for the last 12 months, on real estate or fixed assets that would otherwise have been originally eligible for financing under the 504 loan program.

#### **11. SPECIAL PROVISIONS FOR REFINANCING**

There are two types of refinancing 504 loans programs available: one that allows a limited amount of refinancing in conjunction with a business expansion (504 Refinance + Expansion); and a program that allows for the refinancing of existing conventional loans (504 Refinance).

The SBA defines the eligible debt that can be refinanced as debt (one or more existing loans) where “substantially all” (85% or more) of the original proceeds of the indebtedness were used to acquire/improve/construct a building or purchase equipment (things that would have originally been eligible under the 504 loan program) and the remaining amount of the debt (15% or less) was incurred for the benefit of the small business seeking the financing.

For both programs, the debt to be refinanced must have been current for the previous 12 months.

#### **504 Refinance + Expansion**

- Any amount of existing indebtedness that does not exceed 50% of the cost of the expansion, may be refinanced as long as a “substantial benefit” (an improvement in cash flow of 10% or more) is evident. The expansion refinancing 504 program may be used to refinance existing 504 loans or existing SBA 7(a) loans under these guidelines, in certain circumstances.

#### **504 Refinance**

- For the 504 Refinance program, any conventional loan can be refinanced as long as the loan has been in place for at least two years prior to the date of application.
- It is possible, when refinancing a conventional loan under the 504 Refinance program for the business to secure additional funds over and above the amount of indebtedness, providing that these funds are or will be used for eligible business expenses such as salaries, rent, utilities, inventory or other obligations incurred but not paid prior to the date of application, or that will become due within eighteen months after the date of the loan application.
- The structure of the 504 Refinance program allows the private sector lender to finance any share of the existing indebtedness plus eligible business expenses as long as the new private sector loans are no less than the 504 loan, and that the 504 loan is not more than 40% of the appraised value of the fixed asset(s) being refinanced. The combination of the total private sector loan plus the 504 loan may not exceed 90% of the appraised value of the fixed asset(s) being refinanced, or 85% if cash out is for business operating expenses. Cash out for business operating expenses cannot exceed 20% of the appraised value.
- Appraisals must be dated within 12 months of the date of the application.

#### **12. MAXIMUM & MINIMUM LOAN AMOUNTS**

The maximum share of a total project that can be financed under the SBA 504 loan program is limited to 40% of the total eligible project costs, up to a maximum dollar gross debenture amount (which equals the share of the project plus all associated fees built into the bond when it is sold on the market). This maximum dollar gross debenture amount is aggregate any other outstanding SBA debt and is as follows:

Regular 504 loans, 504 Refinance + Expansion loans, 504 Refinance loans	\$5,000,000
Projects involving Small Manufacturers (A business with NAICS Code of 31, 32, 33 with all production facilities located within the United States). The maximum is allowed per project for each 504 loan.	\$5,500,000
Projects resulting in a 10% or greater reduction in borrower's energy consumption, or 15% generation from renewable energy sources. The maximum is allowed per project for each 504 loan until a total exposure of \$16,500,000 is met.	\$5,500,000

The minimum dollar gross debenture 504 amount available is \$25,000.

In situations where a business applicant chooses to contribute more than the minimum 10% required for a multi-purpose/ existing business expansion project, the additional contribution may reduce the 504 share of the financing project.

### 13. LOAN TERMS

504 financing is provided through the sale of a monthly 20-year or 25-year debenture. A bimonthly 10-year debenture is also available. Expansion projects only involving the purchase of machinery/equipment with a useful life of 10+ years, are financed with a 10-year debenture. Real estate projects may be financed using 20 (typical) or 10-year debentures.

### 14. LEASING EXCESS SPACE POLICY

If an expansion project involves the acquisition of an existing building, a small business applicant(s) must occupy at least 51% of the total rentable property, which includes all interior and exterior spaces actively used in the business operations. 504 loan program proceeds may not be utilized to tenant-finish any portion of the building not being immediately occupied by that small business.

On an expansion project involving new construction, the small business applicant(s) must initially occupy 60% of the total rentable property (as defined above), intend to occupy additional space within three years, and, reasonably expect to occupy at least 80% of the total rentable property within ten years. No more than 20% of the total rentable property may be permanently leased out.

During the life of the loan, the real estate pledged as Collateral for the Loan will not be leased to or occupied by any business that Borrower or Operating Company knows is engaged in any activity that is illegal under federal, state, or local law or any activity that can reasonably be determined to support or facilitate any activity that is illegal under federal, state, or local law.

### 15. ECONOMIC DEVELOPMENT OBJECTIVES

The overall objective of the 504 program is to assist small businesses to create wealth for themselves and their communities. As indicators of this, Mo-Kan Development Inc will consider how many "job opportunities" might reasonably be created or retained by a small business within two years of receiving 504 funds and/or whether a proposed project meets either a SBA Community Development or Public Policy objective.

As a general guideline, Mo-Kan Development Inc must demonstrate that as a result of a 504 loan, it is helping a small business to create or retain at least 1 job for every \$90,000 of project debenture financing (or per \$140,000 for Small Manufacturers).

SBA Community Development objectives include: improving, diversifying or stabilizing a local economy; stimulating other business development; bringing new income into an area; or, assisting businesses in labor surplus areas. SBA Public Policy objectives include assisting businesses primarily owned by veterans, women, minorities, are exporters, or businesses located in rural communities or designated economic enterprise zones.

### 16. REAL ESTATE OWNERSHIP

An "Eligible Passive Concern" or EPC (a passive, single purpose real estate holding entity) is permitted to hold title to real estate and lease a project facility to an eligible small business Operating Company. A copy of a master lease between the EPC and the eligible small business Operating Company will be required as part of documents collected prior to the disbursement of 504 loan proceeds. In these situations, although the borrower is a passive real estate holding company, the 504 loan is being made on the demonstrated strength of the active Operating Company, which must be

either a co-borrower or guarantor on the loan.

The project facility must be wholly leased to the Operating Company. The rent payments from the Operating Company to the passive real estate holding company cannot exceed the amount necessary to make the loan payments and cover the direct expenses of holding the property, such as routine maintenance, utility expenses, insurance, and property taxes.

If the building contains third party tenants other than the Operating Company, these third party tenants must sub lease their space(s) from the active Operating Company and not from the EPC.

## **17. "DO-IT-YOURSELF" CONSTRUCTION**

Situations where the borrower is also the project contractor have generally proved to be an unsatisfactory arrangement on loans. However, "do-it-yourself" construction and / or the installation of machinery and equipment, or situations where the borrower acts as its own contractor, may be permitted as long as it is possible to justify and document the following:

- The borrower/contractor is experienced in the type of construction and has all appropriate licenses;
- The cost is the same as, or less than, what an unaffiliated contractor would charge as evidenced by two (2) independent bids on the work; and
- The borrower/contractor will not earn a profit on the construction.

## **18. SIZE ELIGIBILITY REQUIREMENTS**

A small business applicant, together with its affiliates (an affiliation occurs when one concern controls or has the power to control the other), may not have a tangible net worth in excess of \$15 million, and, may not have an average net income after taxes in excess of \$5.0 million (two year average).

## **19. PERSONAL/CORPORATE GUARANTEES**

Personal guarantees are required from EVERY person/entity owning 20% or more of an eligible small business applicant(s) or EPC owning any of the project real estate, machinery or equipment. A personal guarantor is required on EVERY 504 loan, even if no one owns more than 20%.

## **20. LIFE INSURANCE**

If the on-going viability of a business is dependent on a sole proprietor or the business is a single member LLC, as a condition of approval, an acknowledged collateral assignment of key-person life insurance up to the extent of the 504 loan amount is required. Some Exceptions may apply.

## **21. PRIOR BANKRUPTCIES**

Full disclosure of prior bankruptcies is required. Mo-Kan Development Inc reserves the right to withhold approval of applications where a business or its principals have taken prior bankruptcy protection from creditors.

## **22. PRIOR CRIMINAL OFFENSES/ARRESTS**

A prior criminal arrest or conviction will not necessarily disqualify an individual from receiving financing under the 504 loan program. However, full disclosure is required.

The SBA's Form 1244 form MUST be completed by all proprietors, general partners, officers, directors, managing members of any LLC, owners of 20% or more equity in any applicant businesses AND any key employee hired by the applicant business to manage day-to-day operations. The determination of who is or isn't a key employee is made on a case-by-case basis but generally:

- Someone managing a shift in a retail store is usually not considered a key employee;
- A chef in a restaurant is usually not considered a key employee;
- Someone who performs maintenance on the fixtures of a business is usually not considered a key employee;
- Someone who manages a business for a short period of time in an owner's absence is usually not considered a key employee;
- The senior mechanic at a repair shop is usually not considered a key employee.
- This list is not meant to be comprehensive.

## **23. LEGAL PERMANENT RESIDENTS**

504 loans are available to businesses owned by persons who are not citizens of the United States; however, the processing procedures, terms and conditions may vary,

depending upon the residency status assigned by the US Citizen and Immigration Service division of Homeland Security.

Because fraudulent immigration documents are a serious problem, the status of each Legal Permanent Resident must be verified by Mo-Kan Development Inc as part of the loan application process. Accordingly, applicants seeking 504 financing who are not citizens of the United States must provide: (a) a legible copy of DOCUMENTATION (front and back) evidencing resident status, and, (b) a PERMISSION LETTER, signed and dated, which includes the statement "I authorize the US Citizen and Immigration Service to release information regarding my immigration status to Mo-Kan Development Inc."

#### **24. ILLEGAL ALIENS**

504 loans are not available to businesses that willfully and knowingly hire illegal aliens.

#### **25. CHILD SUPPORT COMPLIANCE**

No principal who owns at least 50% of the ownership or voting interest in a company applying for financing under the 504 program, may be delinquent more than 60 days under the terms of any (1) administrative order, (2) court order, or (3) repayment agreement that requires payment of child support. A certification of compliance will be required before any funds will be disbursed under the 504 loan program.

#### **26. ENVIRONMENTAL REPORT**

Prior to the final disbursement of funds, evidence must be provided that a project property is free and clear of environmental hazards. Either a Records Search Risk Assessment report plus an environmental questionnaire completed by the seller, a Transactional Screening Analysis (TSA), a Phase I or a Phase II report may be required. Any TSA, Phase I or Phase II reports must be accompanied by a reliance certification provided by the environmental company using a standardized SBA form. All reports should name the U.S. Small Business Administration/Mo-Kan Development Inc in addition to the bank lender.

#### **27. APPRAISALS**

An appraisal will be required on all projects involving the purchase, improvement or construction of real estate. All appraisals must use at least two valuation methods. All appraisals must be ordered by the participating partner lender, performed by a state-certified appraiser and must name the U.S. Small Business Administration/Mo-Kan Development Inc in addition to the bank lender.

#### **28. FLOOD & EARTHQUAKE HAZARDS**

Flood insurance must be purchased if any building or equipment acquired, installed, improved or constructed with loan proceeds is located in a special flood hazard area. Newly constructed facilities must be constructed to conform with the National Earthquake Hazards Reduction Program.

#### **29. APPROVAL PROCESS**

Once all documents have been submitted to Mo-Kan Development Inc, the application approval process may take from two to six weeks to generate a formal approval.

#### **30. INTERIM OR CONSTRUCTION FINANCING**

Due to the nature of 504 loans, interim or construction financing is typically required and provided by a private sector lender to cover the period of time between the approval of a financing application and the sale of a debenture to fund the 504 share of the financing project.

#### **31. TIMING OF FUNDING 504 DEBENTURES**

Once all the necessary SBA loan documents have been executed, there is a minimum six week period until a SBA loan is actually funded. 504 debentures are only sold once each month (usually on the Wednesday after the second Sunday). Funds received from this sale are wire-transferred directly to the participating partner lending institution within 48 hours of the day the debenture funds.

#### **32. METHOD OF 504 LOAN PAYMENTS**

Monthly loan payments on the 504 portion of a financing project must be made by an automatic electronic transfer ("ACH debit") from a bank account designated by the small business borrower. Payments are due on the first working day of each month, beginning the month immediately following the actual sale of a debenture.

#### **33. EQUAL CREDIT OPPORTUNITY**

Mo-Kan Development Inc is an equal credit opportunity lender and does not discriminate on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract), handicap, 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.

#### **34. IDENTIFICATION PROCEDURES**

To help the government fight the funding of terrorism and money laundering activities, federal law requires Mo-Kan Development Inc to obtain, verify and record information

that identifies each person who applies for a loan. This means we will ask for a name, address, date of birth and other information. We will also ask for a copy of a driver's license or other identifying document.

**35. NO ADDITIONAL PROVISIONS**

An applicant(s) will indemnify and hold Mo-Kan Development Inc and/or its agents harmless from any and all loss or injury, including reasonable attorney fees, resulting or arising from failure by the applicant to receive such loan and/or any loss or liability to applicants or the business of the applicant. All parties agree that there are no other promises, terms or agreements (oral or written) between Mo-Kan Development Inc and that program rules and fees are subject to change at any time.

**36. FINANCIAL PRIVACY**

Mo-Kan Development Inc commits to protecting any and all personal information provided in conjunction with a loan application, and also commits to collect and disclose this information only as allowed by law. Mo-Kan Development Inc is required to secure a credit bureau report on all applicants applying for assistance under Mo-Kan Development Inc administered loan programs. This credit bureau report will be secured at application and prior to funding. A signature below acknowledges understanding of this requirement, and that Mo-Kan Development Inc is dedicated to security procedures designed to protect all personal information. Mo-Kan Development Inc does not sell, trade or barter personal information to anyone.

Development Inc, its employees, representatives, or closing attorneys, may have important legal implications and consequences and it is recommended that you consult with your own attorney about any legal implications and consequences of any document or changes to any documents before making or signing any document during your loan application or the loan closing process.

**38. ALERT VERIFICATION REPORTING SYSTEM (CAIVRS)**

If the applicant(s) defaults on the SBA-guaranteed 504 loan and SBA suffers a loss, the names of the small business, the guarantors of the SBA-guaranteed loan, and any associate(s) that control the small business will be referred for listing in the CAIVRS database, which may affect their eligibility for further financial assistance.

**39. SYSTEM FOR AWARDS MANAGEMENT'S (SAM)**

**EXCLUDED PARTIES LIST SYSTEM** for Awards Mo-Kan Development Inc is required to consult the System for Awards Management's (SAM) Excluded Parties List System for each loan applicant and all associates including but not limited to the passive real estate entity, the operating company, each 20% or greater owner of either and each key employee. If any are listed as suspended, debarred, revoked or otherwise excluded by SBA or another Federal agency, the small business will be ineligible for SBA financing.

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

Signed: \_\_\_\_\_

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

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The undersigned acknowledges that he/she understands the provisions described within this Disclosure Statement as they apply to an application for consideration under the 504 loan program accessed through Mo-Kan Development Inc.

**37. LOAN CLOSING**

Your loan application and any other documents we request from you during the loan closing process, or have you sign before or at closing will be reviewed by Mo-Kan Development Inc, its employees, representatives, and/or its closing attorneys. Mo-Kan Development Inc's employees, representatives, or closing attorneys do not represent you or your interests. During the loan closing process, Mo-Kan Development Inc's employees, representatives, or closing attorneys may make or request that you make changes to documents. Any changes made or requests for changes to any document by Mo-Kan

## Business Information

Business Name		
Trade Name		
Business Description		
Business Address		
Business City	State	Zip
Business Phone	Fax	
Email Address	Website	
Date Established	Number of Full Time Employees	
Tax ID	Current Total Square Feet of Business	
Is your Business a Franchise?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Franchise Name

Please provide information for all ACTIVE business involved with the application. List additional businesses on a separate piece of paper and attach it to this page.

## Business Type

☐ Sole Proprietor Partnership
 ☐ LLC
 ☐ S Corporation
 ☐ C Corporation
 ☐ Trust
 ☐ Other

Ownership Structure	Name	Title	Address	Social Security #	Owner %	U.S. Citizen (Y/N)
Key Principal						
Owner/Key Employee						
Owner/Key Employee						
Owner/Key Employee						
Owner/Key Employee						

Please list any additional Owners or Key Employees on a separate piece of paper and attach it to this page.

## Real Estate Holding Entity Information

Business Name	
Date Established	Tax ID

Please provide the following information ONLY if you are in the process of or have established a real estate holding entity (other than the active business) that will hold title to any real estate you are requesting financing for.

## Business Type

☐ Sole Proprietor Partnership
 ☐ LLC
 ☐ S Corporation
 ☐ C Corporation
 ☐ Trust
 ☐ Other

Ownership Structure	Name	Title	Address	Social Security #	Owner %	U.S. Citizen (Y/N)
Key Principal						
Principal #1						
Principal #2						
Principal #3						
Principal #4						

Please list any additional Owners or Key Employees on a separate piece of paper and attach it to this page.

# Business Information Continued

## Business Debt Schedule

Lender Name	Original Amount	Original Date	Current Balance	Interest Rate	Maturity Date	Monthly Payment	Collateral Securing Debt
	\$		\$			\$	
	\$		\$			\$	
	\$		\$			\$	

Please list all current notes, lines of credit and mortgages due. Do not include trade accounts payable only fixed obligations of the business.

## Current or Previous SBA or Government Debt

Agency	Loan #	Original Borrower	Loan Amount	Application Date	Loan Status	Current Balance	Any Govt. Loss?
			\$			\$	
			\$			\$	
			\$			\$	

If additional space is needed for the business debt schedule or government debt section, use the space provided below to provide the relevant information.

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

## Project Information

Project Address			
Project City	State	Zip	County
Is this address different from the current business address listed on page 13?		Yes	No

## Facility Information

Facility square footage		Expectant square footage occupied	
Are there existing tenants that will remain	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Months remaining on tenant lease
Approximate Facility build date		Parcel of Land Size	
Facility Description			

## Proposed Use of Fund

\$ Amount

Purchase Land	
Purchase Land & Existing Building	
Purchase Existing Building (No Land)	
Construct a Building	
Add an Addition to an Existing Building	
Make a Renovation to an Existing Building	
Leasehold Improvements	
Purchase/Install of Equipment	
Purchase/Install of Fixtures	
Refinance Eligible Debt	
Other (interest on interim loan)	
Contingency (up to 10% construction)	
Professional Fees	
Appraisals	
Environmentals	
Zoning	
Survey Fees	
Recording/Title Fees	
(1) Other Professional Fees: Eligible Professional Costs	
(2) Other Professional Fees:	
TOTAL PROJECT COST	

## Project Structure

\$ Amount

%

Equity (personal cash)		
Equity (business cash)		
Equity (real estate)		
TOTAL EQUITY =		
SBA 504 (NO MORE THAN 40%)		
Bank Loan (NO MORE THAN 50%)		
Other Financing:		
TOTAL PROJECT COST =		

Financing under the 504 loan program is provided in conjunction with a conventional loan from a private sector lender/bank. Either you or your conventional lender may complete this section on your behalf. Please feel free to contact us with any questions at 816-233-3144.



# Borrower Information

Owner/Guarantor Information - *This section needs completed individually for each owner/guarantor*

Name		
Address		
City	State	Zip Code
Cell Phone	Email Address	

## Education (College or Technical Training)

Name/Location	Dates Attended	Degree

## Work Experience (beginning with current employment)

Name/Location	City/State	Title	Dates Employed

## Operating Company Information

How many people do you currently employ?		
How many people do you anticipate employing in two years?		
May MoKan Development Inc reference your business as a "Success Story"?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have any previous government related financing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are you current and/or in good standing on this financing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

## Economic Development and Community Impact

Is the business more than 51% woman owned?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the business more than 51% minority owned?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Race (optional)		
<input type="checkbox"/> African American	<input type="checkbox"/> Eskimo or Aleut	<input type="checkbox"/> Native American
<input type="checkbox"/> Asian/Pacific Islander	<input type="checkbox"/> Hispanic Multi-	<input type="checkbox"/> Puerto Rican
<input type="checkbox"/> Caucasian	<input type="checkbox"/> Ethnic	<input type="checkbox"/> Undetermined
	<input type="checkbox"/>	<input type="checkbox"/>
Is the business more than 51% disabled owned?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you export (more than 10% of gross revenues)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the business more than 51% veteran owned?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Military Service Background		
Branch	Dates Served	
Rank at Discharge		
Are you currently employed by the US Government?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Agency Name	Position	

It is important for us to have an understanding of the economic development and community impact this loan will make on your community. Our organization tracks the above metrics to ensure we are fostering growth of a variety of small businesses and their owners. **Two years after your loan funds we will reach out to you to see if your business has created any new jobs.**



## PERSONAL FINANCIAL STATEMENT

### U.S. SMALL BUSINESS ADMINISTRATION

The purpose of this form is to collect information about the Business Applicant and its owners' financial condition. SBA uses the information required by this Form 413 as one of a number of data sources in analyzing the repayment ability and creditworthiness of an applicant for an SBA loan or, with respect to a surety bond, to assist in recovery in the event that the contractor defaults on the contract. SBA also uses the information to assess whether an individual meets the economic disadvantage threshold for the Women-Owned Small Business (WOSB) Program and the 8(a) Business Development (BD) Program. Submission of this information is required as part of your application for assistance. Failure to provide the information would impact the agency's decision on your application.

To complete this form

- 1) Check all that apply.
- 2) Complete the form in its entirety (attached a separate sheet, if necessary)
- 3) Review the applicable certifications and sign (spousal signature, if required)

<input type="checkbox"/> 7(a) loan / 504 loan / Surety Bonds
Complete this form for: (1) each proprietor; (2) general partner; (3) managing member of a limited liability company (LLC); (4) each owner of 20% or more of the equity of the Applicant; and (5) any person providing a guaranty on the loan (including the assets and liabilities of the owner's spouse and any minor children).
<b>Return completed form to:</b> <b>For 7(a) loans:</b> the Lender processing the application for SBA guaranty <b>For 504 loans:</b> the Certified Development Company (CDC) processing the application for SBA guaranty <b>For Surety Bonds:</b> the Surety Company or Agent processing the application for surety bond guarantee

<input type="checkbox"/> Disaster Business Loan Application (Excluding Sole Proprietorships)
Complete this form for: (1) each applicant; (2) each general partner; (3) each managing member of a limited liability company (LLC); (4) each owner of 20% or more of the equity of the Applicant business; and (5) any person providing an unlimited guaranty on the loan.
<b>Return completed form to:</b> Disaster Processing and Disbursement Center at 14925 Kingsport Road, Fort Worth, TX 76155-2243 or FAX to 1-202-481-1505 or <a href="mailto:disasterloans@sba.gov">disasterloans@sba.gov</a>

<input type="checkbox"/> Women Owned Small Business (WOSB) Federal Contracting Program
This form must be completed by each individual claiming economic disadvantage in connection with the SBA's Women-Owned Small Business (WOSB) Federal Contracting Program. A separate form must be completed by the individual's spouse, unless the individual and the spouse are legally separated. Use attachments if necessary. Each attachment must be identified as a part of this statement and signed. In addition, each individual claiming economic disadvantage must update the form as changes arise, but at least annually, to ensure the information is current, accurate and complete.
SBA's regulations state that to be considered economically disadvantaged for purposes of the WOSB Program, a woman must have an adjusted gross income averaged over the three prior fiscal years of \$350,000 or less; less than \$6 million in the fair market value of all her assets (to include her primary residence and value of the business concern); and less than \$750,000 in personal net worth (excluding equity interest in her personal residence and ownership interest in the business, and funds invested in a retirement account that are unavailable until retirement age). 13 C.F.R. §127.203. The information contained in this form must be submitted and certified through <a href="http://beta.certify.sba.gov">beta.certify.sba.gov</a>

<input type="checkbox"/> 8(a) Business Development Program
8(a) applicants must show that 51% of the firm is owned by one or more individuals determined by the SBA to be socially and economically disadvantaged. The information contained in this form must be submitted by each socially and economically disadvantaged individual using their one time 8(a) eligibility to qualify this firm for 8(a) certification. If married, the spouse must complete a separate SBA Form 413, except when the individual and the spouse are legally separated. If separated, provide copy of separation document.
SBA's regulations state that to be considered economically disadvantaged for purposes of the 8(a) Business Development Program, an individual must have an adjusted gross income averaged over the three prior fiscal years of \$350,000 or less; less than \$6 million in the fair market value of all assets (to include primary residence and value of the business concern); and less than \$750,000 in personal net worth (excluding equity interest in the personal residence and ownership interest in the business, and funds invested in a retirement account that are unavailable until retirement age). 13 C.F.R. §124.104.
<b>Note:</b> Please complete this form with Personal Information not Business Information and divide all jointly owned assets and liabilities, as appropriate with spouse or others. The information contained in this form must be submitted and certified through <a href="http://certify.sba.gov">certify.sba.gov</a> . For additional information go to: <a href="http://www.sba.gov/8abd">http://www.sba.gov/8abd</a>

<b>Name</b>	<b>Business Phone</b> (xxx-xxx-xxxx)
<b>Home Address</b>	<b>Home Phone</b> (xxx-xxx-xxxx)
<b>City, State, &amp; Zip Code</b>	
<b>Business Name of Applicant/Borrower</b>	
<b>Business Address</b> (if different than home address)	
<b>Business Type:</b> ___ Corporation ___ S-Corp. ___ LLC ___ Partnership ___ Sole Proprietor (does not apply to ODA applicant)	
<b>This information is current as of [month/day/year]</b> (within 90 days of submission for 7(a)/504/SBG/ODA/WOSB or within 30 days of submission for 8(a) BD)	
<b>WOSB applicant only, Married</b> ___ Yes ___ No	

ASSETS (Omit Cents)	LIABILITIES (Omit Cents)
Cash on Hand & in banks.....	Accounts Payable.....
Savings Accounts.....	Notes Payable to Banks and Others..... (Describe in Section 2)
IRA or Other Retirement Account..... (Describe in Section 5)	Installment Account (Auto)..... Mo. Payments _____
Accounts & Notes Receivable..... (Describe in Section 5)	Installment Account (Other)..... Mo. Payments _____
Life Insurance – Cash Surrender Value Only..... (Describe in Section 8)	Loan(s) Against Life Insurance.....
Stocks and Bonds..... (Describe in Section 3)	Mortgages on Real Estate..... (Describe in Section 4)
Real Estate..... (Describe in Section 4)	Unpaid Taxes..... (Describe in Section 6)
Automobiles..... (Describe in Section 5, and include Year/Make/Model)	Other Liabilities..... (Describe in Section 7)
Other Personal Property..... (Describe in Section 5)	Total Liabilities.....
Other Assets..... (Describe in Section 5)	Net Worth.....
<b>Total</b> _____	<b>Total</b> _____ Must equal total in assets column.

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 should not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income)

**Section 2. Notes Payable to Banks and Others.** (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Names and Addresses of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

**Section 3. Stocks and Bonds.** (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

**Section 4. Real Estate Owned.** (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

**Section 5. Other Personal Property and Other Assets.** (Describe, and, if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and, if delinquent, describe delinquency.)

**Section 6. Unpaid Taxes.** (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

**Section 7. Other Liabilities.** (Describe in detail.)

**Section 8. Life Insurance Held.** (Give face amount and cash surrender value of policies – name of insurance company and Beneficiaries.)

I authorize the SBA/Lender/Surety Company to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness.

**CERTIFICATION:** (to be completed by each person submitting the information requested on this form and the spouse of any 20% or more owner when spousal assets are included)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that SBA or its participating Lenders or Certified Development Companies or Surety Companies will rely on this information when making decisions regarding an application for a loan, surety bond, or participation in the WOSB or 8(a) BD program. I further certify that I have read the attached statements required by law and executive order.-

Signature \_\_\_\_\_

Date \_\_\_\_\_

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

Social Security No. \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

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

Social Security No. \_\_\_\_\_

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**NOTICE TO 7(a) LOAN, 504 LOAN AND SURETY BOND APPLICANTS: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:**

Knowingly making a false statement on this form is a violation of Federal law and could result in criminal prosecution, significant civil penalties, and a denial of your loan or surety bond application. A false statement is punishable under 18 U.S.C. §§ 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. § 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally-insured institution, a false statement is punishable under 18 U.S.C. § 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000. Additionally, false statements can lead to treble damages and civil penalties under the False Claims Act, 31 U.S.C. § 3729, and other administrative remedies including suspension and debarment.

**NOTICE TO DISASTER BUSINESS LOAN APPLICANTS: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:**

Whoever wrongfully misapplies the proceeds of an SBA disaster loan shall be civilly liable to the Administrator in an amount equal to one-and-one half times the original principal amount of the loan under 15 U.S.C. § 636(b). In addition, any false statement or misrepresentation to SBA may result in criminal, civil or administrative sanctions including, but not limited to: 1) fines and imprisonment, or both, under 15 U.S.C. § 645, 18 U.S.C. § 1001, 18 U.S.C. § 1014, 18 U.S.C. § 1040, 18 U.S.C. § 3571, and any other applicable laws; 2) treble damages and civil penalties under the False Claims Act, 31 U.S.C. § 3729; 3) double damages and civil penalties under the Program Fraud Civil Remedies Act, 31 U.S.C. § 3802; and 4) suspension and/or debarment from all Federal procurement and non-procurement transactions. Statutory fines may increase if amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

**NOTICE TO APPLICANTS OR PARTICIPANTS IN THE WOSB FEDERAL CONTRACTING PROGRAM: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:**

Any person who misrepresents a business concern's status as a WOSB or EDWOSB, or makes any other false statement in order to influence the WOSB Program eligibility determination or other review process in any way (e.g., protest), shall be: (1) subject to fines and imprisonment of up to 5 years, or both, as stated in Title 18 U.S.C. § 1001; (2) subject to fines of up to \$500,000 or imprisonment of up to 10 years, or both, as stated in Title 15 U.S.C. § 645; (3) subject to civil and administrative remedies, including suspension and debarment; and (4) ineligible for participation in programs conducted under the authority of the Small Business Act.

**NOTICE TO APPLICANTS OR PARTICIPANTS IN THE 8(a) BUSINESS DEVELOPMENT PROGRAM: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:**

Any person who misrepresents a business concern's status as an 8(a) BD Program participant or SDB concern, or makes any other false statement in order to influence the 8(a) certification or other review process in any way (e.g., annual review, eligibility review), shall be: (1) subject to fines and imprisonment of up to 5 years, or both, as stated in Title 18 U.S.C. § 1001; (2) subject to fines of up to \$500,000 or imprisonment of up to 10 years, or both, as stated in Title 15 U.S.C. § 645; (3) subject to treble damages and civil penalties under the False Claims Act, 31 U.S.C. § 3729; (4) subject to administrative remedies, including suspension and debarment; and (5) ineligible for participation in programs conducted under the authority of the Small Business Act.

PLEASE NOTE: According to the Paperwork Reduction Act, you are not required to respond to this request for information unless it displays a valid OMB Control Number. The estimated average burden hours for the completion of this form is 1.5 hour per response. If you have questions or comments concerning this estimate or any other aspect of this information collection, please contact: Director, Records Management Division, Small Business Administration, 409 Third Street SW, Washington, D.C. 20416, and SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C. 20503. PLEASE DO NOT SEND COMPLETED FORMS TO OMB.

## PLEASE READ, DETACH, AND RETAIN FOR YOUR RECORDS

### **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 or other 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, where applicable.

For purposes of SBA's financial assistance programs, 31 U.S.C. 7701 requires loan applicants and guarantors, or any indemnitor of a surety bond to provide their social security numbers, or other taxpayer identification numbers. Failure to provide this information would affect your ability to obtain an SBA loan or bond. For other individuals signing this form, 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, your social security number or other taxpayer identification number helps SBA to distinguish you from other individuals with the same or similar name or other personal identifier. This use is permitted under Executive Order 9397. Personal information collected is protected to the extent permitted by law, including the Freedom Information Act, 5 U.S.C. 552, and the Privacy Act 5 U.S.C. 552. Such information is maintained pursuant to SBA's Privacy Act System of Records at

<https://www.sba.gov/sites/default/files/2020-01/sba-sorns.pdf>.

**Right to Financial Privacy Act of 1978 (12 U.S.C. 3401)** -- This is notice to you as required by the Right to Financial Privacy Act of 1978, of SBA's access rights to financial records held by financial institutions that are or have been doing business with you or your business, including any financial institutions participating in a loan or loan guaranty. The law provides that SBA shall have a right of access to your financial records in connection with its consideration or administration of assistance to you in the form of a Government guaranteed loan or guaranteed bond. SBA is required to provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records, after which no further certification is required for subsequent accesses. The law also provides that SBA's access rights continue for the term of any approved loan guaranty agreement or any approved bond 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 bond guarantee, or concerning an approved loan or loan guarantee or bond guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty, or to process or service the bond guarantee. No other transfer of your financial records to another Government authority will be permitted by SBA except as required or permitted by law.

### **Freedom of Information Act (5 U.S.C. 552)**

This law provides, with some exceptions, that SBA must supply information contained 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. With respect to SBA's bond guarantee program, SBA will release, among other things, statistics on the Surety Bond Guarantee (SBG) programs and other information such as the names of small businesses (and their officers, directors, stockholders or partners) and the amount of the bond guarantees. 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.

Do not sign this form unless all applicable lines have been completed.

Request may be rejected if the form is incomplete or illegible.

For more information about Form 4506-C, visit [www.irs.gov](http://www.irs.gov) and search IVES.

<b>1a. Current name</b>			<b>2a. Spouse's current name (if joint return and transcripts are requested for both taxpayers)</b>		
i. First name	ii. Middle initial	iii. Last name/BMF company name	i. Spouse's first name	ii. Middle initial	iii. Spouse's last name
<b>1b. First taxpayer identification number (see instructions)</b>			<b>2b. Spouse's taxpayer identification number (if joint return and transcripts are requested for both taxpayers)</b>		
<b>1c. Previous name shown on the last return filed if different from line 1a</b>			<b>2c. Spouse's previous name shown on the last return filed if different from line 2a</b>		
i. First name	ii. Middle initial	iii. Last name	i. First name	ii. Middle initial	iii. Last name
<b>3. Current address (including apt., room, or suite no.), city, state, and ZIP code (see instructions)</b>					
a. Street address (including apt., room, or suite no.)		b. City	c. State	d. ZIP code	
<b>4. Previous address shown on the last return filed if different from line 3 (see instructions)</b>					
a. Street address (including apt., room, or suite no.)		b. City	c. State	d. ZIP code	
<b>5a. IVES participant name, ID number, SOR mailbox ID, and address</b>					
i. IVES participant name		ii. IVES participant ID number	iii. SOR mailbox ID		
iv. Street address (including apt., room, or suite no.)		v. City	vi. State	vii. ZIP code	
<b>5b. Customer file number (if applicable) (see instructions)</b>		<b>5c. Unique identifier (if applicable) (see instructions)</b>			
<b>5d. Client name, telephone number, and address (this field cannot be blank or not applicable (NA))</b>					
i. Client name			ii. Telephone number		
iii. Street address (including apt., room, or suite no.)		iv. City	v. State	vi. ZIP code	
<b>Caution:</b> This tax transcript is being sent to the third party entered on Line 5a and/or 5d. Ensure that lines 5 through 8 are completed before signing. (see instructions)					
<b>6. Transcript requested.</b> Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request for line 6 transcripts					
a. Return Transcript <input type="checkbox"/>		b. Account Transcript <input type="checkbox"/>		c. Record of Account <input type="checkbox"/>	
<b>7. Wage and income transcript (W-2, 1098-E, 1099-G, etc.)</b> <input type="checkbox"/>					
a. Enter a max of three form numbers here; if no entry is made, all forms will be sent.					
b. Mark the checkbox for taxpayer(s) requesting the wage and income transcripts. If no box is checked, transcripts will be provided for all listed taxpayers					
Line 1a <input type="checkbox"/>		Line 2a <input type="checkbox"/>			
<b>8. Year or period requested.</b> Enter the ending date of the tax year or period using the mm dd yyyy format (see instructions)					
/ / / /					
<b>Caution:</b> Do not sign this form unless all applicable lines have been completed.					
<b>Signature of taxpayer(s).</b> I declare that I am either the taxpayer whose name is shown on line 1a or, if applicable, line 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, at least one spouse must sign; however, if both spouses' names and TINs are listed in lines 1a-1b and 2a-2b, both spouses must sign the request. If signed by a corporate officer, 1 percent or more shareholder, partner, managing member, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-C on behalf of the taxpayer. <b>Note:</b> This form must be received by IRS within 120 days of the signature date.					
<input type="checkbox"/> <b>Signatory attests that he/she has read the above attestation clause and upon so reading declares that he/she has the authority to sign the Form 4506-C. See instructions.</b>					
<b>Sign Here</b>	<b>Signature for Line 1a (see instructions)</b>		Date		Phone number of taxpayer on line 1a or 2a
	<input type="checkbox"/> Form 4506-C was signed by an Authorized Representative		<input type="checkbox"/> Signatory confirms document was electronically signed		
	<b>Print/Type name</b>				
	<b>Title (if line 1a above is a corporation, partnership, estate, or trust)</b>				
	<b>Spouse's signature (required if listed on Line 2a)</b>				Date
	<input type="checkbox"/> Form 4506-C was signed by an Authorized Representative		<input type="checkbox"/> Signatory confirms document was electronically signed		
<b>Print/Type name</b>					



# Instructions for Form 4506-C, IVES Request for Transcript of Tax Return

Section references are to the Internal Revenue Code unless otherwise noted.

## Future Developments

For the latest information about Form 4506-C and its instructions, go to [www.irs.gov](http://www.irs.gov) and search IVES. Information about any recent developments affecting Form 4506-C (such as legislation enacted after we released it) will be posted on that page.

**What's New.** Form 4506-C includes the Client company requesting transcripts and increased the number of Wage and Income transcripts requests.

## General Instructions

**Caution:** Do not sign this form unless all applicable lines have been completed.

**Designated Recipient Notification.** Section 6103(c) limits disclosure and use of return information received pursuant to the taxpayer's consent and holds the recipient subject to penalties for any unauthorized access, other use, or redisclosure without the taxpayer's express permission or request.

**Taxpayer Notification.** Section 6103(c) limits disclosure and use of return information provided pursuant to your consent and holds the recipient subject to penalties, brought by private right of action, for any unauthorized access, other use, or redisclosure without your express permission or request.

**Purpose of form.** Use Form 4506-C to request tax return information through an authorized IVES participant. You will designate an IVES participant to receive the information on line 5a.

**Note:** If you are unsure of which type of transcript you need, check with the party requesting your tax information.

**Where to file.** The IVES participant will fax Form 4506-C with the approved IVES cover sheet to their assigned Service Center.

## Chart for ordering transcripts

If your assigned Service Center is:	Fax the requests with the approved coversheet to:
Austin Submission Processing Center	Austin IVES Team 844-249-6238
Kansas City Submission Processing Center	Kansas City IVES Team 844-249-8128
Ogden Submission Processing Center	Ogden IVES Team 844-249-8129

## Specific Instructions

**Line 1a/2a (if spouse is also requested).** For IMF Requests: Enter the First, Middle Initial, and Last Name in the indicated fields. If all characters will not fit, please enter up to 12 for First name and 22 for Last name. For BMF Requests: Enter the company name in the Last Name field. If all characters will not fit, please enter up to 22.

**Line 1b/2b (if spouse is also requested).** Enter the social security number (SSN) or individual taxpayer identification number (ITIN) for the individual listed on line 1a including the dashes in the correct format, or enter the employer identification number (EIN) for the business listed on line 1a including the dashes in the correct format.

**Line 1c/2c (if spouse is also requested).** Enter your previous name as shown on your last filed tax return if different than line 1a.

**Line 3.** Enter your current address in the indicated fields. If you use a P.O. Box, include it and the number in the Current Address field.

**Line 4.** Enter the address shown on the last return filed if different from the address entered on line 3.

**Note:** If the addresses on lines 3 and 4 are different and you have not changed your address with the IRS, file Form 8822, Change of Address, or Form 8822-B, Change of Address or Responsible Party — Business, with Form 4506-C.

**Line 5b.** Enter up to 10 numeric characters to create a unique customer file number that will appear on the transcript. The customer file number cannot contain an SSN, ITIN or EIN. Completion of this line is not required.

**Line 5c.** Enter up to 10 alpha-numeric characters to create a unique identifier that will show in the mailbox file information. The unique identifier cannot contain an SSN, ITIN or EIN. Completion of this line is not required.

**Note.** If you use an SSN, we will not input the information and the customer file number or unique identifier will reflect a generic entry of "999999999999".

**Line 5d.** Enter the Client company name, address, and phone number in the indicated fields. A Client company receives the requested tax transcripts from the IVES participant. If the IVES participant is also the Client company, the IVES participant information should be entered on Line 5a and 5d. These fields cannot be blank or Not Applicable (NA).

**Line 6.** Enter only one tax form number (1040, 1065, 1120, etc.) per request for all line 6 transcripts request types.

**Line 6a.** Return Transcript includes most of the line items of a tax return as filed with the IRS. A tax return transcript does not reflect changes made to the account after the return is processed. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120-H, Form 1120-L, and Form 1120-S. Return transcripts are available for the current year and returns processed during the prior 3 processing years.

**Line 6b.** Account Transcript contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns.

**Line 6c.** Record of Account provides the most detailed information as it is a combination of the Return Transcript and the Account Transcript. Available for current year and 3 prior tax years.

**Line 7.** The IRS can provide a transcript that includes data from these information returns: Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript. Enter up to three information return types. If no specific type is requested, all forms will be provided. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, Form W-2 information for 2016, filed in 2017, will likely not be available from the IRS until 2018. If you need Form W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213.

**Line 8.** Enter the end date of the tax year or period requested in mm dd yyyy format. This may be a calendar year, fiscal year or quarter. Enter each quarter requested for quarterly returns. Example: Enter 12 31 2018 for a calendar year 2018 Form 1040 transcript.



You must check the box in the signature area to acknowledge you have the authority to sign and request the information. The form will not be processed if unchecked.

**Signature and date.** Form 4506-C must be signed and dated by the taxpayer listed on line 1a and, if listed, 2a. The IRS must receive Form 4506-C within 120 days of the date signed by the taxpayer or it will be rejected. Ensure that all applicable lines, including lines 5a through 8, are completed before signing.

**Authorized Representative:** A representative can sign Form 4506-C for a taxpayer if the taxpayer has specifically delegated this authority to the representative on Form 2848, line 5a, and Form 2848 is attached to the Form 4506-C request. If you are Heir at Law, Next of Kin, or Beneficiary, you must be able to establish a material interest in the estate or trust. If Form 4506-C is signed by a representative, the Authorized Representative check box must be marked.

**Electronic Signature:** Only IVES participants that opt in to the Electronic Signature usage can accept electronic signatures. Contact the IVES participant for approval and guidance for electronic signatures. If the Form 4506-C is signed electronically, the Electronic Signature check box must be marked.

**Individuals.** Transcripts listed on line 6 may be furnished to either spouse if jointly filed. Signatures are required for all taxpayers listed on Line 1a and 2a.

**Corporations.** Generally, Form 4506-C can be signed by:

(1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer. A bona fide shareholder of record owning 1 percent or more of the outstanding stock of the corporation may submit a Form 4506-C but must provide documentation to support the requester's right to receive the information.

**Partnerships.** Generally, Form 4506-C can be signed by any person who was a member of the partnership during any part of the tax period requested on line 8.

**All others.** See section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

**Documentation.** For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the letters testamentary authorizing an individual to act for an estate.

**Privacy Act and Paperwork Reduction Act Notice.** We ask for the information on this form to establish your right to gain access to the requested tax information under the Internal Revenue Code. We need this information to properly identify the tax information and respond to your request. You are not required to request any transcript; if you do request a transcript, sections 6103 and 6109 and their regulations require you to provide this information, including your SSN or EIN. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506-C will vary depending on individual circumstances. The estimated average time is:

Learning about the law or the form . . . . . 10 min.  
Preparing the form . . . . . 12 min.  
Copying, assembling, and sending the form to the IRS . . . . . 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506-C simpler, we would be happy to hear from you. You can write to:

Internal Revenue Service  
Tax Forms and Publications Division  
1111 Constitution Ave. NW, IR-6526  
Washington, DC 20224

Do not send the form to this address. Instead, see Where to file on this page.



# SBA 504 Borrower Information Form

For use with all SBA 504 Loan Programs

OMB Control No.: 3245-0071

Expiration Date: 11/30/2025

**Applicant Owner's Demographic Information (Optional)** - Veteran/gender/race/ethnicity data is collected for program reporting purposes only. Disclosure is voluntary and will have no bearing on the loan application 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
Gender	<input type="checkbox"/> Male; <input type="checkbox"/> Female; <input type="checkbox"/> Not Disclosed
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

*If any questions are answered "Yes" please provide details to the Lender/CDC in a separate attachment*

Question	Yes	No
1. Is the Applicant or if the Applicant is structured as an Eligible Passive Company (EPC) and Operating Company (OC), both the EPC and OC, or any Associate of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in a transaction by any Federal department or agency, or presently involved in any bankruptcy? <i>If yes, explain and provide relevant documents in Exhibit 25.</i>	<input type="checkbox"/>	<input type="checkbox"/>
2. Is the Applicant, any Associate of the Applicant, or any business owned by them or any Affiliates (per 13 CFR 121.301(f)), currently delinquent or have ever defaulted on a direct or guaranteed loan from SBA, or another Federal agency loan program (including, but not limited to USDA, B&I, FSA, FHA, EDA), or been a guarantor on such a loan? <i>If yes, provide relevant information in Exhibit 9.</i>	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business? <i>If yes, list all such businesses (including their TINs), percentage of ownership, and describe the relationship on a separate sheet identified as addendum A.</i>	<input type="checkbox"/>	<input type="checkbox"/>
4. Is the Applicant or any Associate of the Applicant currently incarcerated serving a sentence of imprisonment imposed upon adjudication of guilty, or is under indictment for a felony or any crime involving or relating to financial misconduct or a false statement? <i>(if "Yes" the Applicant is not eligible for SBA financial assistance.)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Initial here to confirm your response to question 4 (originally initialed, or an acceptable electronic signature, and not typed.)</b>		
5. Has the Applicant paid or committed to pay a fee to the Lender/CDC or a third party to assist in the preparation of the loan application or application materials, or has the Applicant paid or committed to pay a referral agent or broker a fee? <i>If "Yes" provide details to your Lender/CDC (the name of the third party and the amount of the fee). The Applicant is not required to obtain or pay for unwanted services.</i>	<input type="checkbox"/>	<input type="checkbox"/>
6. Are any of the Applicant's revenues derived from gambling, loan packaging, lending activities, lobbying activities, or from the sale of products or services, or the presentation of any depiction, displays or live performances, of a prurient sexual nature? <i>If "Yes," provide details under a separate attachment.</i>	<input type="checkbox"/>	<input type="checkbox"/>
7. Is any sole proprietor, partner, officer, director, stockholder with a 10% or more interest in the Applicant an SBA employee or a Household Member of an SBA employee? ( <a href="#">13 CFR 105.204</a> ). "Household Member" means spouse and minor children of an employee, all blood relations of the employee and any spouse who resides in the same place of abode with the employee ( <a href="#">13 CFR §105.201(d)</a> ). <i>If "Yes," provide details under a separate attachment.</i>	<input type="checkbox"/>	<input type="checkbox"/>
8. Is any employee, owner, partner, attorney, agent, owner of stock, officer, director, creditor or debtor of the Applicant a former SBA employee who has been separated from SBA for less than one year prior to the request for financial assistance? ( <a href="#">13 CFR 105.203</a> ). <i>If "Yes," provide details under a separate attachment.</i>	<input type="checkbox"/>	<input type="checkbox"/>
9. Is any sole proprietor, general partner, officer, director, or stockholder with a 10% or more interest in the Applicant, or a household member of such individual, a member of Congress, or an appointed official or employee of the legislative or judicial branch of the Federal Government? ( <a href="#">13 CFR 105.301(c)</a> ). <i>If "Yes," provide details under a separate attachment.</i>	<input type="checkbox"/>	<input type="checkbox"/>
10. Is any sole proprietor, general partner, officer, director, or stockholder with a 10 percent or more interest in the Applicant, or a household member of such individual, a Federal Government employee or Member of the Military having a grade of at least GS-13 or higher (or Military equivalent)? ( <a href="#">13 CFR 105.301(a)</a> ). <i>If "Yes," provide details under a separate attachment.</i>	<input type="checkbox"/>	<input type="checkbox"/>
11. Is any sole proprietor, general partner, officer, director, or stockholder with a 10% or more interest in the Applicant, or a household member of such individual, a member or employee of a Small Business Advisory Council or a SCORE volunteer? ( <a href="#">13 CFR 105.302(a)</a> ). <i>If "Yes," provide details under a separate attachment.</i>	<input type="checkbox"/>	<input type="checkbox"/>
12. Is the Applicant, any owner of the Applicant, or any business owned by them (Affiliates), presently involved in any legal action (including divorce)? <i>If yes, provide details in Exhibit 25.</i>	<input type="checkbox"/>	<input type="checkbox"/>



# SBA 504 Borrower Information Form

For use with all SBA 504 Loan Programs

OMB Control No.: 3245-0071

Expiration Date: 11/30/2025

## **By Signing Below, You Make the Following Representations, Authorizations, and Certifications:**

### **APPLICANT CERTIFICATION**

By signing this application, the Applicant certifies that it complies with all Loan Program Requirements as defined in 13 CFR § [120.10](#), including but not limited to requirements in 13 CFR §§ [120.100](#), [120.110](#), [121.301](#), and 31 CFR § [285.13](#). The Applicant further certifies that the Applicant business is at least 51 percent owned and controlled by persons who are citizens of the U.S. or are Lawful Permanent Residents (provide copies of the USCIS Form(s) I-551 to your Lender/CDC for each person holding Legal Permanent Resident status) and that all SBA loan proceeds will be used in accordance with Loan Program Requirements. SBA or the Lender/CDC may request additional information to determine that an Applicant fulfills any eligibility requirement. SBA or a Lender/CDC processing a loan under delegated authority may accept as true the Applicant is eligible as certified. **By signing the application, the Applicant has certified that it fulfills all eligibility requirements.**

The authorized representative of the Applicant and the Operating Company represents, certifies, or authorizes the following:

- I have read the statements included in this form, including the Statements Required by Law and Executive Order, and I understand them.
- I certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.
- I will comply, whenever applicable, with the hazard insurance, lead-based paint, civil rights, or other limitations set forth in SBA Loan Program Requirements.
- No holder of 50 percent or more of the ownership of the Applicant or OC is delinquent more than 60 days under the terms of any administrative order; court order; or repayment agreement requiring payment of child support.
- Applicant and OC are now current on all future federal, state, and local taxes, including but not limited to income taxes, payroll taxes, real estate taxes and sales taxes of the business, and will pay all Federal, state, and local taxes when they come due.
- All SBA loan proceeds will be used only for the Applicant business and only for business related purposes as specified in the loan application and approved by the Lender/CDC and/or SBA.
- I understand, acknowledge, agree, and consent that the Lender/CDC can share any tax information that I have provided and/or that the Lender/CDC has obtained from the Internal Revenue Service with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.
- I acknowledge that the Lender/CDC will confirm the eligible loan amount using required documents submitted.
- The Applicant, together with all affiliates, is small under the applicable small business size standard (13 CFR 121.201 and Section 3(a)(5) of the Small Business Act [15 U.S.C. 631 et seq.]. SBA or the SBA Lender/CDC may request additional information concerning the Applicant's size based on information supplied in the application or any other source.
- The Applicant is not engaged and will not engage in any activity that is illegal under federal, state, or local law or that can reasonably be determined to support or facilitate any activity that is illegal under federal, state, or local law, and 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.
- If applicable, the Applicant(s), the ESOP (or equivalent trust), and/or the 401(k) plan are in compliance with all applicable IRS, Treasury, and Department of Labor requirements and will comply with all relevant operating and reporting requirements.
- For any real estate to be purchased by loan proceeds and pledged as collateral for the loan or where the Applicant or OC is conducting business operations, the Applicant or OC are currently and will remain in compliance with all local, state, and Federal environmental laws and regulations and will continue to comply with these laws and regulations. Furthermore, they are unaware of any other actual or potential environmental hazards related to the collateral or business premises. They agree to fully indemnify Lender/CDC and SBA against all liabilities or losses arising from the contamination of the property before or during the term of the loan.
- The Applicant and/or OC will reimburse Lender/CDC for out-of-pocket expenses incurred in the making and administration of the loan.
- The Applicant and/or OC will maintain proper books and records, allow Lender/CDC and SBA access to these records, and furnish financial statements or reports annually or whenever requested by Lender/CDC.
- The Applicant and/or OC will post SBA Form 722, Equal Opportunity Poster, where it is clearly visible to employees, applicants for employment and the general public.
- SBA encourages the purchase, to the extent feasible, of American-made equipment and supplies.
- For debt refinancing, the debt being refinanced with the loan proceeds was used exclusively for the Applicant's business, including any credit card, HELOC, and/or debt on the Applicant's balance sheet; and
- During the life of the loan, the real estate pledged as Collateral for the Loan or where the Borrower or OC conducts its business operations will not be leased to or occupied by any business that Borrower or OC knows is engaged in any activity that is illegal under federal, state or local law or any activity that can reasonably be determined to support, promote, or facilitate any activity that is illegal under federal, state, or local law.
- The Applicant and OC will not, without Lender/CDC's prior written consent:
  - Make any distribution of company assets that will adversely affect the financial condition of the Borrower and/or OC.
  - Change the ownership structure or interests in the business during the term of the loan; and
  - Sell, lease, pledge, encumber (except by purchase money liens on property acquired after the date of the Note), or otherwise dispose of any of the Borrower's property or assets, except in the ordinary course of business.
- If this application is being submitted for an ALP Express Loan, Applicant certifies that the loan was not previously submitted to SBA and subsequently withdrawn by the CDC or declined or otherwise not approved by SBA.



## SBA 504 Borrower Information Form

For use with all SBA 504 Loan Programs

OMB Control No.: 3245-0071

Expiration Date: 11/30/2025

- The Applicant agrees that if the SBA approves this application, Applicant 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.
- The Applicant certifies that Applicant has not paid anyone connected with the Federal Government for help getting this financial assistance.
- The Applicant agrees 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.
  - The Applicant understands that Applicant need not pay anybody to deal with SBA.
  - The Applicant also understands 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.
  - The Applicant agrees 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.
- The Applicant understands 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 the Applicant's business exceeds the small business size standard by more than 25%, the Applicant agrees 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 C.F.R. §120.140 or violate 13 C.F.R. § 120.851. No such relationships existed within six months of this application or will be permitted to exist while assistance is outstanding.
- The Applicant authorizes disclosure of all information submitted in connection with this application to the financial institution agreeing to participate with SBA's guaranteed debenture.
- The Applicant authorizes disclosure of all information in SBA's possession (whether information in SBA's current possession or information that SBA may later possess) related to Applicant to the CDC.
- The Applicant waives 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, the Applicant agrees that Applicant 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.
- Neither the Authorized Representative signing below, nor any of the Applicant's owners, managers, or anyone who directs the business, or any of their spouses or members of their households, work for the SBA, an SBA small business advisory council, or SCORE, 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.
- The U.S. Small Business Administration (SBA) is hereby authorized to release any and all information about my existing SBA Loans to the Lender/CDC processing this loan application. I understand that information released may include, but may not be limited to, information relating to my loan amount and payment transactions history, and/or the provision of copies of my loan documents, which may contain non-public information relating to all obligors and/or guarantors (if applicable).

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: \_\_\_\_\_



# SBA 504 Borrower Information Form

For use with all SBA 504 Loan Programs

OMB Control No.: 3245-0071

Expiration Date: 11/30/2025

## **Purpose of this form:**

The purpose of this form is to collect information about the Small Business Applicant (“Applicant”) and its owners, the loan request, existing indebtedness, information about current or previous government financing, and certain other topics. The information also facilitates background checks as authorized by section 7(a)(1)(B) of the Small Business Act, 15 U.S.C. 636(a)(1)(B). Submission of the requested information is required for SBA or the Lender/CDC to determine eligibility for financial assistance. Failure to submit the information would affect that determination.

## **Instructions for completing this form:**

A separate SBA Form 1244 for each co-Applicant(e.g., EPC and OC) must be completed and signed by the authorized representative of the Applicant and ***submitted to your SBA Participating Certified Development Company***. The amounts of the “Purpose of the loan” sections across all SBA Forms 1244 should equal the total amount of the loan request. Submission of the requested information is required to make a determination regarding eligibility for financial assistance.

For purposes of reporting NAICS Code, Applicants must match the business activity code provided on their IRS income tax filings, if applicable.

All parties listed below are considered Owners of the Applicant:

- 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;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

## **For purposes of reporting (optional) demographic information:**

**Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.

**Description.** This form requests information about each of the Applicant’s owners. Add additional sheets if necessary.

1. **Owner’s Legal Name.** Insert the full name of the owner.
2. **Owner’s Position.** Identify the owner’s position; for example, sole proprietor; general partner; owner; officer; director; or member.

## **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:

**Paperwork Reduction Act** - You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 31 minutes. Comments about this time or the information requested should be sent to: Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

**Federal Funding Accountability and Transparency Act of 2006, as amended (31 U.S.C. 6101 Note)** - SBA routinely publishes information related to this loan application (e.g., name and address of borrower, amount of loan) on USAspending.gov, as required by the Federal Funding Accountability and Transparency Act of 2006, as amended.

**Privacy Act (5 U.S.C. 552a); Collection of Social Security Number (31 U.S.C. 7701 et seq.)** - *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 U.S.C. § 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 U.S.C. § 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 U.S.C. § 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.



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OMB Control No.: 3245-0071

Expiration Date: 11/30/2025

**Right to Financial Privacy Act of 1978 (12 U.S.C. § 3401 et seq.)** - 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.

**Disclosure of Information** - Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies' function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses.

**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.

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

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

**Executive Order 11738 -- Environmental Protection (38 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.





## SBA 504 Borrower Information Form

For use with all SBA 504 Loan Programs

OMB Control No.: 3245-0071

Expiration Date: 11/30/2025

**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.

**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.

**Civil Rights (13 C.F.R. 112, 113, 117)** - 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 et sec.)** - 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 12549 as amended by E.O. 12689, Debarment and Suspension (2 C.F.R. 180, adopted by reference in 2 C.F.R. 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 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 C.F.R. § 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.

If you are unable to certify and acknowledge (a) through (d), you must obtain and attach a written statement of exception from SBA permitting participation in this loan. You further certify that you have not and will not knowingly enter into any agreement in connection with the goods and/or services purchased with the proceeds of this loan with any individual or entity that has been debarred, suspended, declared ineligible from participating in, or voluntarily excluded from participation in a Transaction. All capitalized terms have the meanings set forth in 2 C.F.R. Part 180.

**The Build America, Buy America Act (BABAA) (41 U.S.C. §8301)** - The Build America, Buy America Act (BABAA) requires that no federal financial assistance for "infrastructure" projects is provided "unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States." Section 70914 of Public Law No. 117-58, §§ 70901-52. By submission of this loan application, you certify and acknowledge that if any SBA loan proceeds are used directly or indirectly for an infrastructure project, the iron, steel, manufactured products, and construction materials used in the construction of the infrastructure project are in full compliance with the BABAA requirements including: 1. All iron and steel used in the project are produced in the United States; 2. All manufactured products purchased with SBA financial assistance must be produced in the United States; and 3. All construction materials used in the construction are manufactured in the United States. Additionally, the Borrower will obtain from all Contractors, or Subcontractors, certifications or affirmations of their compliance with BABAA requirements for the project.

PLEASE READ BEFORE COMPLETING SBA 1244

**Please disclose any bankruptcies with any level or form of involvement whatsoever, no matter how long ago they were.**

**A failure to disclose any past involvement in a bankruptcy can result in an automatic decline from SBA for your loan application.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



## AUTHORIZATION TO RELEASE INFORMATION AND CERTIFICATIONS

- I/We have submitted a loan application to Mo-Kan Development, Inc. (hereinafter referred to as MKDI) to obtain small business financing, and I/we understand that MKDI must assimilate certain information, which may be personal in nature, including, but not limited to, personal and business financial information in the processing of this loan application. I/We hereby agree to provide and disclose all information pertinent to this application as may be requested by MKDI, its affiliates or agents.
- I/We AUTHORIZE MKDI to make inquiries as necessary to verify the accuracy of the statements made in order 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. 10001).
- I/We AUTHORIZE the release to MKDI of any and all information they may require at any time for any purpose related to our credit transaction with them. (if applicable)
- I/We AUTHORIZE MKDI to release such information to any entity they deem necessary for any purpose related to our credit transaction with them.
- I/We CERTIFY that the "U.S. Small Business Administration Application For Section 502/504 Loan, Section Three, Statements Required by Law and Executive Order and Certifications" (SBA Form 1244) is enclosed for my/our review.
- I/We AUTHORIZE MKDI, its affiliates and agents, to furnish relevant information to all necessary sources including various federal, state, county agencies, and private lending institutes to obtain the best sources of funding for the project.
- I/We AUTHORIZE MKDI, its affiliates and agents, to furnish relevant information to its Loan Review Committee and to its Board of Directors and affiliate Council in processing this loan application.
- I/We AUTHORIZE MKDI, its affiliates and agents, to report statistical and business financial information to the appropriate organizations as a part of its routine reporting requirements.
- I/We CERTIFY that the enclosed application information, including attachments and exhibits, is valid and correct to the best of my/our knowledge as of the dates provided.
- I/We FURTHER agree that I/we shall indemnify and hold MKDI, its affiliates and agents, harmless from any claim or cause of action arising because of incorrect, inaccurate or incomplete information furnished by me/us, whether the furnishing of such incorrect, inaccurate or incomplete information was accidental or intentional and in consideration of MKDI's assistance, I/we waive all claims against MKDI, its affiliates and agents arising from this assistance.

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Signature of applicant

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Date

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Signature of applicant

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Date

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Signature of applicant

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Date

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Signature of applicant

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Date

ADDITIONAL INFORMATION AND/OR COMMENTS: