



Your Partner In Lending STRATEGIES

SBA Application Packages

One of the key tools in an SBA Application is the lender's credit memo. I outlined last month the important topics that should be in your Credit Memo. This month I would like to point out the importance your credit memo as the starting point for creating an SBA Application package. Each document prepared from here on out should match the terms and conditions of your credit memo. The Use of Proceeds applied for should match that of your credit memo, your borrower, guarantors, rate, maturity, covenants, collateral, etc. should all match that of your credit memo. If at any time throughout this process anything changes, you should start with a material change or file comment to amend your credit memo. The changes should be documented and include an explanation or justification for the change and the affect the change has on the overall credit.

Once you have your bank approved credit memo, you can begin to prepare an application package for SBA. If you're a Preferred Lender (PLP), this package remains in your file and never

goes to SBA. If you not a PLP Lender, you'll keep the original application package in your file and submit an electronic copy to SBA for loan approval. Some lenders have the expertise in house to compile these applications, if not, I encourage you to engage the assistance of a packager to help ensure your application is well received by SBA and approved in a timely manner.

Some of the SBA forms needed in the application include:

- Form 4—Business Application
- Form 4-I—Lender's Application for Guaranty Request
- Form 912—Statement of Personal History
- Form 1624—Debarment
- Form 1846—Lobbying
- Form 4506-T —IRS Request for Transcript.
- SBA Eligibility Checklist

In addition, you'll need 3 years of historical information on both the business and each guarantor.

If the loan request was approved based on projections, they must include 2 years and the first 12-months must be broke down month by month.

If the loan request is for the purchase of a business or change in ownership structure, a Business Valuation is required.

A Real Estate Appraisal is not required as part of the applications, however will be required prior to closing and must meet the value outlined in the SBA Authorization.

This is not an all inclusive list, but rather gives you a basic understanding of items that may be required in a standard application. Each application brings about its own set of challenges and requirements. If you are unsure what structure is eligible under SBA or what items may be required based on a specific situation, please give us a call.

Contact Us:



Lisa Gambrino
Lisa@sbastrategies.com



Kimberly Lahr
Kimberly@sbastrategies.com



Oakwood Professional Center
1637 4th Ave N, Suite 105
Sauk Rapids, MN 56379

Ph: 320.529-8185
Fax: 320.529-4875
www.sbastrategies.com

SBA Fiscal Year End Approaching

September 30th is fast approaching. This marks the end of the SBA fiscal year. September 26th also marks the expiration of the temporary \$1 million loan limit allowed under the SBA Express Program. So, if you want to get in on that you'll want to get your applications in soon. Effective Sept. 27th the maximum loan limit will return to \$350,000.

October is the beginning of a new SBA fiscal year. October is also the annual conference of National Association of Government Guaranteed Lenders (NAGGL). This event is very educational. It gives those of us in the industry an opportunity to communicate with the top officials from the U.S. Small Business Administration.

Through various breakout sessions we learn about changes that may be happening in the programs, ask questions, express our concerns and discuss changes we'd like to see as lenders and service providers. It also gives us an opportunity to find out what other lenders are doing, how they are doing it, what's working, what's not, and how we might be able to collaborate on projects to help grow our Small Business Communities.

This year we are expecting to discuss changes in the latest revision of the SOP 50 10 5(D) due out Oct. 1st and also a new SOP that SBA has been working on that combines the SOPs for Servicing and Liquidation.

SBA is expected to roll out new information on the CAP line program as it relates to Working Capital Lines of Credit. We hope this will provide lenders and small businesses with easier access to W/C lines of credit.

If you as lenders would like us to ask, express or share information with SBA, please email kimberly@sbastrategies.com and we will take that information with us to the conference.

SBA Base Rates	
Sept. 2011	
SBA LIBOR Base Rate	3.22%
SBA FIXED Base Rate	4.99%
SBA Peg Rate	3.625%
WSJP Rate	3.25%