

FINANCING ELIGIBILITY STATEMENT - "SOCIAL DISADVANTAGE"

(FOR INDIVIDUALS WHO **ARE NOT** MEMBERS OF A DESIGNATED GROUP)

Individual's Name \_\_\_\_\_

Applicant Business Name \_\_\_\_\_

INSTRUCTIONS:

Answers to the following questions will be used to determine your personal eligibility for your business to receive financing under Section 301(d) of the Small Business Investment Act. Under this provision, to be eligible to receive financing, you must meet the criteria stipulated in Appendix 1 of this form. Please provide complete responses to each question. When your answers require additional space, use plain white paper properly identifying the item number to which you are responding. **Omission of any information requested will result in a delay in the review and consideration of your application.**

**As you complete this section, please keep in mind that your claim of social disadvantage must be based on your personal experiences encountered in American society. You must demonstrate that you have personally suffered social disadvantage. Your mere membership in a non-designated group which could be considered socially disadvantaged will not satisfy this requirement. Document fully any incidences of prejudice or cultural bias or discriminatory practices which negatively impacted your entry into and/or advancement in the business world and over which you had no control.**

**PLEASE MARK "N/A UNDER ANY QUESTIONS NOT APPLICABLE TO YOUR CIRCUMSTANCES.**

**I. SOCIAL DISADVANTAGE**

- A. I am claiming social disadvantage because of my membership in a group other than those designated as being socially disadvantaged.  YES  NO

If so, identify the group \_\_\_\_\_.

If not, identify the specific basis for your claim of social disadvantage - \_\_\_\_\_.

- B. I am socially disadvantaged because I have personally been subjected to (check one or more):

Racial prejudice  Cultural bias

Ethnic prejudice



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- C. Are you a resident of a geographic area having long term chronic high unemployment and economic depression? If so, explain precisely how such residence has caused you to experience social disadvantage.
  
- D. Do you have a chronic physical or other special handicap which has led to discriminatory practices against you which have restricted and still restrict professional acceptance, employment, access to credit, capital and/or markets? If so, explain fully.
  
- E. Have you because of cultural, ethnic, or social background been subjected to discrimination which has caused you unemployment, limited educational opportunities or personal deprivation? If so, explain fully.
  
- F. Have you experienced low income status because of apparent discriminatory practices? If so, explain precisely how such discriminatory practices led to your having limited access to markets, credit and capital or otherwise inhibited your entry into or advancement in the business world.

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- G. Have you experienced discriminatory practices because of your gender? If so, explain precisely how your gender has resulted in discriminatory practices which have led to your having limited access to markets and credit and capital or otherwise inhibited your entry into or advancement in the business world.
- H. Have you experienced discriminatory practices because you have been identified as a Vietnam era veteran? If so, explain precisely how your status as a Vietnam era veteran has resulted in discriminatory practices which have led to your having limited access to markets and credit and capital or otherwise inhibited your entry into or advancement in the business world.
- I. Provide other specific and pertinent examples of social disadvantage you have experienced which may not be covered above.

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**II. Ownership and Control**

- A. Describe how socially or economically disadvantaged persons have a majority voting interest on the board of directors or any other governing body of the concern being financed (provide supporting documentation).
- B. If your business is a corporation or a general partnership, explain how the eligible disadvantaged person(s) will own more than 50% of the voting interest of the business after receiving financing from the Small Business Investment Company (provide supporting documentation).
- C. Is the business concern a limited partnership?  Yes  No  
If Yes, explain (and provide documentation) to show whether the eligible disadvantaged person(s) are either the general partners, or that they control any corporate general partners
- D. Indicate the percentage of the *economic interest* that eligible disadvantaged person(s) hold in the business (provide supporting documentation). (*Economic interest* is the right to proportionate distributions after all secured and unsecured debts have been satisfied.)
- E. Do the eligible disadvantaged person(s) hold less than 50% of *the economic interest* in the company? If so, fully describe all other investors holding an *economic interest* in the company.

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### **III. CERTIFICATION OF ELIGIBILITY**

I hereby certify that all information in this Statement, including exhibits and supporting documentation, is true and complete to the best of my knowledge and is submitted for consideration of financing from an entity licensed by the U.S. Small Business Administration.

I acknowledge that any statement made in this Financing Eligibility Statement, including exhibits and supporting documentation, which I know to be false, may, under provisions of the Small Business Act and/or the Small Business Investment Act, and 18 U.S.C. 1001, subject me to a fine, imprisonment, or both.

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Name of Business

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Typed Name and Title of Qualifying Person

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Signature of Qualifying Person

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#### **IV. LICENSEE CERTIFICATION**

I hereby certify that the licensee has reviewed all information provided by the small business concern in support of its application for financing, and determined that all documentation and other information supports the eligibility of the applicant and establishes that the concern is owned and managed by an eligible socially or economically disadvantaged person(s), as defined in the Small Business Investment Act and SBA Policy and Procedural Release # 2017, dated June 22, 1994.

I acknowledge that any statement made in this Financing Eligibility Statement, including exhibits and supporting documentation, which I know to be false, may, under provisions of the Small Business Act and/or the Small Business Investment Act, and 18 U.S.C. 1001, subject me to a fine, imprisonment, or both.

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Name of SBIC/SSBIC

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Typed Name of President or General Partner

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Signature of President or General Partner

Please Note: The estimated burden for completing this form is 2 hours per response. You will not be required to respond to this information collection if a valid OMB approval number is not displayed. If you have questions or comments concerning this estimate or other aspects of this information collection, please contact the U.S. Small Business Administration, Chief, Administrative Information Branch, Washington, DC 20416, and/or Office of Management and Budget, Clearance Officer, Paperwork Reduction Project (3245-0301), Washington, DC 20503. PLEASE DO NOT SEND FORMS TO OMB.