

## **ELIGIBILITY INFORMATION REQUIRED FOR GULF OPPORTUNITY PILOT LOAN PROGRAM SUBMISSION**

**1. Fill out all of this section. If a question in this section is answered "No," the loan is not eligible.**

Applicant Name \_\_\_\_\_  
Lender Name \_\_\_\_\_  
Purpose of Loan \_\_\_\_\_  
Describe Type of Business \_\_\_\_\_

Applicant is an operating business organized for profit, is located in United States, has demonstrated a need for the desired credit, and the desired credit is not otherwise available on reasonable terms from non-Federal sources. YES \_\_\_ NO \_\_\_  
The products and/or services of the Applicant business are available to the general public. YES \_\_\_ NO \_\_\_

### **Size and Affiliation**

Primary industry of Applicant \_\_\_\_\_ NAICS Code of Applicant \_\_\_\_\_  
Average annual receipts of Applicant Business (excluding affiliates) over last 3 completed fiscal years \_\_\_\_\_  
No. of employees of Applicant Business \_\_\_\_\_ SBA size standard for Applicant \_\_\_\_\_

OR (alternative size standard) tangible net worth is \_\_\_\_\_ (not in excess of \$7 million) and average net income after Federal income taxes for the preceding two completed fiscal years is \_\_\_\_\_ (not in excess of \$2.5 million).

If size standard is exceeded by no more than 25%, Applicant agrees to use the assistance within a labor surplus area. YES \_\_\_ NO \_\_\_

### **CHECK IF APPLICABLE:**

\_\_\_ Applicant has possible affiliates. *If checked, provide the following information in attachment to this form:*  
List possible affiliates, discuss possible bases of affiliation and determine if affiliation exists. If affiliation exists, state  
1) combined average annual receipts over last 3 completed fiscal years or number of employees for applicant and all affiliates or 2)  
combined tangible net worth and combined average net income for applicant and all affiliates.

\_\_\_ Applicant business is a franchise. *If checked, answer the following question. If "No" loan is not eligible.*  
Franchisee has the right to profit and risk of loss commensurate with ownership and there are no excessive restraints on the sale of the franchise interest. YES \_\_\_ NO \_\_\_

### **Principals of the Applicant**

All principals of business are either U.S. citizens, or non-U.S. citizens whose INS status has been verified by the lender. YES \_\_\_ NO \_\_\_

### **CHOOSE ONE:**

\_\_\_\_\_ The business is at least 51 percent owned by individuals who are U.S. citizens and/or who have verified Legal Permanent Resident (LPR) status from INS and control the management and daily operations of the business.

\_\_\_\_\_ The business is at least 51 percent owned by aliens with a verified status other than LPR, the lender has determined that continual and consistent management of the business has been provided by a U.S. citizen or by a verified LPR for at least one year and will continue indefinitely AND U.S. collateral is pledged sufficient to pay the loan in full at any time. (Businesses less than one year old do not meet these requirements.)  
\_\_\_\_\_

No Associate of the Applicant is incarcerated, on probation, on parole, or under indictment for a felony or a crime of moral turpitude. YES \_\_\_ NO \_\_\_

## **Terms of the Loan**

The maturity of the loan does not exceed the maximum allowable by SBA and is the shortest appropriate term commensurate with repayment ability of the Applicant. If the loan is revolving, the maturity does not exceed seven years.

YES\_\_\_NO\_\_\_

SBA guaranty percentage on this loan does not exceed 85%.

YES\_\_\_NO\_\_\_

The aggregate amount of the SBA portions for this application and all outstanding loans to Applicant and its affiliates does not exceed \$1,500,000.

YES\_\_\_NO\_\_\_

The interest rate of the loan does not exceed 6.5% over prime rate for loans of \$50,000 and less or 4.5% over prime rate for loans over \$50,000.

YES\_\_\_NO\_\_\_

Applicant does not have a non-SBA-guaranteed loan made by any lender at or about the same time for the same or similar purpose as this loan, with a lien position senior to this loan (“Piggyback Loan structure”).

YES\_\_\_NO\_\_\_

## **II. CHECK ANY ITEMS THAT ARE APPLICABLE IN THIS SECTION.**

### **Type of Business**

\_\_\_Applicant is or does one of the following. *If checked, loan is not eligible.*

- primarily engaged in the business of lending
- a passive business that holds real and/or personal property to receive rent or lease income and does not provide sufficient services to deem it active and is not an Eligible Passive Company discussed below
- life insurance company
- pyramid sale distribution plan
- any illegal activity
- consumer or marketing cooperative
- earns 1/3 or more of its gross annual revenue from packaging SBA loans
- primarily engaged in political or lobbying activities
- a speculative business (such as oil wildcatting)

\_\_\_Applicant is a pawn shop. *If checked, answer the following question. If “No” loan is not eligible.*  
More than 50% of Applicant’s income for the previous year was from the sale of merchandise rather than from interest on loans.

YES\_\_\_NO\_\_\_

\_\_\_Applicant is a motel, trailer park, campground or similar type of business. *If checked, answer the following question. If “No” loan is not eligible.*

Applicant derives 50% or more of its gross annual income from transients who stay for periods of time not exceeding 30 days.

YES\_\_\_NO\_\_\_

\_\_\_Any of gross annual revenue of Applicant business is derived from gambling. *If checked, answer the following question. If “No” loan is not eligible.*

The revenue is from legal gambling activities and comprises 1/3 or less of gross annual revenue of Applicant business and the business is not a racetrack, casino or otherwise have gambling as its reason for being.

YES\_\_\_NO\_\_\_

\_\_\_Applicant is a private club or business. *If checked, answer the following question. If “No” loan is not eligible.*

Business does not limit the number of memberships for reasons other than capacity.

YES\_\_\_NO\_\_\_

\_\_\_Applicant is a government-owned entity. *If checked, answer the following question. If “No” loan is not eligible.*

Applicant is business owned or controlled by a Native American tribe, but is a separate legal entity from the tribe.

YES\_\_\_NO\_\_\_

\_\_\_ Applicant is an Eligible Passive Company (EPC). *If checked, fill in the blanks and answer the following questions. If "No" loan is not eligible. Attach additional sheet with Names and Legal Forms if more than one OC. References below to OC mean each OC.*

Name of Operating Company (OC) \_\_\_\_\_  
Legal Form of Entity of OC \_\_\_\_\_

- The EPC will use the loan proceeds to acquire or lease, and /or improve or renovate real or personal property (including eligible refinancing) that it leases 100% to one or more OCs. YES \_\_\_ NO \_\_\_
- The OC is an eligible small business and the proposed use of proceeds would be an eligible use if the OC were obtaining the financing directly. YES \_\_\_ NO \_\_\_
- The EPC (with the exception of a trust) and the OC each are small under SBA's size standards. YES \_\_\_ NO \_\_\_
- The EPC is eligible as to type of business, other than being passive. YES \_\_\_ NO \_\_\_
- The lease between the Eligible Passive Company and the Operating Company will be in writing, will have a remaining term at least equal to the term of the loan (including options to renew exercisable solely by the Operating Company), will be subordinated to SBA's lien on the property and the rents will be assigned as collateral for the loan. YES \_\_\_ NO \_\_\_
- The OC will be a guarantor or co-borrower. If loan proceeds include working capital or assets to be owned by the OC, it will be a co-borrower. YES \_\_\_ NO \_\_\_
- Each 20% or more owner of the EPC and each 20% or more owner of the OC will guarantee the loan. YES \_\_\_ NO \_\_\_
- The aggregate amount of the SBA portions for this application and for all outstanding loans to the EPC, the OC, and their affiliates does not exceed \$1,500,000. YES \_\_\_ NO \_\_\_
- Neither the EPC nor the OC is a trust or SBA requirements regarding trusts are met. YES \_\_\_ NO \_\_\_

### **Use of Proceeds**

\_\_\_ To provide or refinance funds used for payments, distributions, or loan to Associates of the Applicant, except payment of ordinary compensation for services rendered. *If checked, loan is not eligible.*

\_\_\_ For debt refinancing. *If checked, ATTACH A DEBT SCHEDULE SHOWING THE TERMS OF THE DEBT TO BE REFINANCED AND THE JUSTIFICATION FOR THE REFINANCING. Also, answer the following questions. If "No" loan is not eligible.*

- Existing debt no longer meets the needs of the Applicant. YES \_\_\_ NO \_\_\_
- Loan will not reduce the lender's exposure with the Borrower. YES \_\_\_ NO \_\_\_
- Proceeds will not pay a creditor in a position to sustain a loss causing a shift to SBA of all or part of a potential loss from an existing debt. YES \_\_\_ NO \_\_\_
- Debt to be refinanced is not an SBA loan. YES \_\_\_ NO \_\_\_
- Loan will not refund debt to an SBIC. YES \_\_\_ NO \_\_\_
- Loan will not repay third party financing for any existing 504 project. YES \_\_\_ NO \_\_\_
- Loan will not repay delinquent IRS withholding taxes, sales taxes or similar funds held in trust. YES \_\_\_ NO \_\_\_

\_\_\_ For a purpose that will not benefit the small business. *If checked, loan is not eligible.*

\_\_\_ To fund or refinance a change in ownership. *If checked, answer the following questions. If "No" loan is not eligible.*

- The change will promote the sound development or preserve the existence of the Applicant business. YES \_\_\_ NO \_\_\_
- The change is an arm's-length transaction supported by a determination of value. The loan file is well documented regarding the valuation and includes the substantiating analysis. If the valuation analysis is performed by the lender's loan officer, a synopsis of the analysis is attached. If buyer and seller are related, transaction is supported by independent third party valuation. YES \_\_\_ NO \_\_\_
- Change is 100% of ownership or a business repurchasing 100% of one or more of its owners' interests. YES \_\_\_ NO \_\_\_
- If the loan is paying off an SBA guaranteed loan of the seller, the loan being paid off is not with the same lender submitting this loan request. YES \_\_\_ NO \_\_\_

\_\_\_ For construction or refinance of construction of a new building. *If checked, answer the following questions. If "No" loan is not eligible.*

- If building will contain rental space, Applicant (or Operating Companies) will continue to occupy at least 60% of the rentable property for the term of the loan; lease long term no more than 20% of the rentable property to one or more tenants; plans to occupy within three years some of the remaining rentable property not immediately occupied or leased long term; and plans to occupy within ten years all of the rentable property not leased long term.
- Community improvements do not exceed 5 percent of construction proceeds of this loan.

YES \_\_\_ NO \_\_\_  
YES \_\_\_ NO \_\_\_

\_\_\_ To provide funds for or refinance of acquisition of land or existing building or for renovation or reconstruction of an existing building. *If checked, answer the following questions. If "No" loan is not eligible.*

- Applicant (or Operating Companies) will occupy at least 51% of the rentable property.
- Loan proceeds will not be used to remodel or convert any rental space in the property.

YES \_\_\_ NO \_\_\_  
YES \_\_\_ NO \_\_\_

\_\_\_ To provide funds for or refinance of leasehold improvements. *If checked, answer the following question. If "No" loan is not eligible.*

Loan proceeds will be used to improve space occupied 100% by Applicant.

YES \_\_\_ NO \_\_\_

\_\_\_ To provide funds to guarantee or fund a letter of credit. *If checked, loan is not eligible.*

### **Special Program Requirements**

\_\_\_ Business applicant is located in, locating to, or relocating in the counties/parishes that have been Presidentially-declared disaster areas resulting from Hurricanes Katrina or Rita, plus any parishes/counties contiguous to those parishes/counties. Additionally, the loan proceeds will be used to support the business's operations within the eligible parish/county.

Business address where the business is located or will be located:

(street number and name) \_\_\_\_\_ (county/parish) \_\_\_\_\_ (state) \_\_\_\_\_

*If "No" loan is not eligible for this program.*

YES \_\_\_ NO \_\_\_

\_\_\_ Loan is one of the following special purpose loans (*Loan is not eligible for this program*):

- Disabled Assistance Loan Program (DAL)
- Energy Conservation
- International Trade Loans or SBA Export *Express* loans
- Qualified Employee Trusts (ESOP)
- Pollution Control Program
- Defense Loan and Technical Assistance (DELTA)
- CapLines Program (including Builders Loan Program)
- Community Adjustment and Investment Program (CAIP)

\_\_\_ Applicant is or does one of the following (*Loan is not eligible for this program.*):

- Agricultural or farm business
- Fishing or shore operation (including commercial fishing activities and the construction of new fishing vessels)
- Medical facility involving any type of extended care/assisted living situation
- Mine (including sand and gravel pits)
- Has operations, facilities, or offices located overseas (other than those strictly associated with the marketing and/or distribution of products exported from the U.S.)
- Is engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs, whether in a religious or secular setting
- Derives directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depiction or displays, of a prurient sexual nature or that presents any live performances of a prurient nature.

\_\_\_ Applicant has existing SBA loans(s). *If checked, answer the following question. If "No" loan is not eligible.*  
The existing SBA loan(s) is/are current.

YES \_\_\_ NO \_\_\_

\_\_\_ Loan finances more than 90% of 1) the actual cost of real estate being acquired; 2) the financing needs for a new business; or 3) the acquisition of an existing business. (*Loan is not eligible for this program.*)

\_\_\_ Question 1, 2, or 3 on SBA Form 2281, Gulf Opportunity Pilot Loan Program Borrower Information Form, for this application is answered “Yes.” (*Loan is not eligible for this program.*)

\_\_\_ Lender is aware that the application was previously submitted to SBA under any SBA program (except disaster), including SBAExpress, CommunityExpress, PLP, CLP, LowDoc, or regular 7(a). (*Loan is not eligible for this program.*)

\_\_\_ Loan will have primary collateral that will not meet SBA’s environmental requirements or that will require use of a non-standard indemnification agreement. (*Loan is not eligible for this program.*)

\_\_\_ Business previously defaulted on a Federal loan or Federally assisted financing that resulted in the Federal government or any of its departments or agencies sustaining a loss; or a business owned or controlled by a principal or any Associates which previously owned or operated a business which defaulted on a Federal loan (or guaranteed a loan which was defaulted) and caused the Federal Government or any of its agencies or departments to sustain a loss in any of its programs, including any compromise agreement with any such agency/department; or a principal was the recipient of a student loan that is in delinquent status. (*Loan is not eligible for this program.*)

### **Conflict of Interest**

*SBA many not provide financial assistance to an applicant where there is any appearance of a conflict of interest on the part of SBA or the Lender.*

- No SBA employee, the employee’s close relative or a member of the employee’s household is an employee, officer, director, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True\_\_\_
- No former SBA employee separated from SBA for less than one year is an employee, officer, director, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True\_\_\_
- No individual currently involved in a Small Business Development Center program, the individual’s close relative or a member of the individual’s household is an employee, officer, director, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True\_\_\_
- No member of Congress or an appointed official or employee of the legislative or judicial branch (or a close relative or household member of such an individual) is a sole proprietor, general partner, officer, director, employee, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True\_\_\_
- If an Associate\*\* of the small business or member of any Associate’s household is a GS-13 or higher government employee or a Major or Lieutenant Commander or higher in the military, the small business applicant has submitted to the Lender a statement of no objection by the pertinent government department or military service. True\_\_\_
- No member or employee of a Small Business Advisory Council or a SCORE volunteer (or a close relative or household member of such an individual) is a sole proprietor, general partner, officer, director, employee, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True\_\_\_
- No employee of a community organization such as a certified development company or microlender (or a close relative or household member of such an individual) is a sole proprietor, general partner, officer, director, employee, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True\_\_\_
- No community organization or its officers or its directors have a significant financial interest in the Applicant unless the organization has been inactive in packaging SBA loans for at least two years prior to the application date. True\_\_\_
- No Lender or Associate\*\* of Lender has a real or apparent conflict of interest with Applicant, any of Applicant’s Associates, or any of the close relatives of Applicant’s Associates. True\_\_\_
- No Lender or Associate or close relative of an associate of the lender has a significant direct or indirect financial or other interest in the applicant, or has had such an interest within 6 months prior to the date of the application. True\_\_\_
- No Associate of a Lender is incarcerated, on parole, or on probation or is a convicted felon or has an adverse final civil judgment (in a case involving fraud, breach of trust, or other conduct) that would cause the public to question the Lender’s business integrity. True\_\_\_
- No Lender or any Associate of Lender has accepted funding from a source that restricts, prioritizes, or conditions the types of small businesses that Lender may assist under an SBA program or that imposes any conditions or requirements upon recipients of SBA assistance inconsistent with SBA’s loan programs or regulations. True\_\_\_

- None of the Loan proceeds will directly or indirectly finance purchase of real estate, personal property or services from Lender or an Associate of Lender. True\_\_\_\_\_
- Neither the Applicant, an Associate of Applicant, close relative or household member of an Associate of Applicant is required to invest in Lender. True\_\_\_\_\_
- None of the proceeds of the loan will be used to acquire space in project for which lender has issued a real estate forward commitment. True\_\_\_\_\_

(\*\*Associate of a Lender is an officer, director, key employee, or holder of 20 percent or more of the value of the Lender’s stock or debt instruments. An Associate of a small business is an officer, director, owner of more than 20 percent of the equity, or key employee.)

**ATTACH SHEET FOR COMMENTS REGARDING ANY OF ABOVE ANSWERS THAT REQUIRE EXPLANATION OR REGARDING ANY OTHER RELEVANT ELIGIBILITY ISSUES.**

**Lender hereby certifies that the above information is true and correct, to the best of its knowledge, and that it has exercised due diligence to obtain the true and correct information. Lender is aware and acknowledges that SBA review of this form is a quick look at eligibility intended to provide limited protection to SBA and the lender from making an ineligible loan on which SBA could not honor its guarantee and that if an SBA loan number is assigned and SBA later learns that the loan is not eligible, SBA still may deny liability on its guarantee.**

**Lender Signature:** \_\_\_\_\_

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

**Typed Name and Title:** \_\_\_\_\_

The estimated burden for completing this form is 15 minutes. You will not be required to respond to any collection of information unless it displays a currently valid OMB Control Number. Comments on the burden should be sent to U. S. Small Business Administration (SBA), Chief, AIB, 409 3rd Street, SW, Washington, DC 20416 and Desk Officer for SBA, Office of Management and Budget, New Executive Office Building, Rom 10202, Washington, DC 20503. OMB Control Number 3245-0355. PLEASE DO NOT SEND FORMS TO OMB.

