



**ELIGIBILITY INFORMATION REQUIRED FOR PCLP
SUBMISSION**

I. General Information - Fill out all blanks and answer all questions. If a question is answered “No,” the loan is not eligible.

Applicant Name _____
CDC Name _____
Describe Type of Business _____
Describe Project _____

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 Applicant will use the Project Property and the Project is located in the United States. YES ___ NO ___

The products and/or services of the Applicant business are available to the general public. YES ___ NO ___

II. Size – Check Item(s) if Applicable and Fill out A or B below.

COMPLETE FOR APPLICANT:

If using the 504 size standard:

A. Tangible net worth of Applicant (excluding its Affiliates) _____ Average net income after Federal income taxes (excluding any carry-over losses) for the Applicant (excluding its Affiliates) for the preceding two completed fiscal years _____

If using the alternative 7(a) size standard:

B. 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 _____

___ Applicant has possible affiliates. *If item is checked, provide the following information in Section X of this form:*
List possible affiliates, discuss possible bases of affiliation and determine if affiliation exists.
If affiliation exists, provide a schedule showing combined size calculation.

The combined size calculation of applicant and its affiliates meets the size standard for the applicant’s primary industry or the size standard for the primary industry of the applicant and its affiliates, whichever is higher. YES ___ NO ___

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

___ Applicant business has a franchise/license/dealer/jobber or similar agreement. *If checked, answer the following question:*
The SBA Franchise Registry lists the franchise/license/dealer/jobber or similar agreements as an approved agreement. YES ___ NO ___

If “No”, answer the following: You have made the determination that the applicant business has the right to profit and risk of loss commensurate with ownership and there are no excessive restraints on the sale of the franchise/license/dealer/jobber or similar interest. If “No”, loan is not eligible YES ___ NO ___

III. Principals of the Applicant – Answer all Questions. If a question is answered “No,” the loan is not eligible.

Lender has assessed the liquid assets of the immediate family (including spouse and dependent children) of each owner of 20% or more of the equity of the Applicant (and of the Operating Company, if the Applicant is an Eligible Passive Company) and determined that they do not exceed:

- For a financing package of \$250,000 or less, two times the total financing package or \$100,000, whichever is greater;
- For a financing package between \$250,001 and \$500,000, one and one-half times the total financing package or \$500,000, whichever is greater;

- For a financing package of more than \$500,000, one times the total financing package or \$750,000, whichever is greater
YES___NO___

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___

IV. Type of Business – Check Any Items That Are Applicable

___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
- bail bond company
- 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 mortgage service company. *If checked, answer the following question. If “No”, loan is not eligible*
Any mortgage loans funded are sold within 14 days of loan closing. YES___NO___

___Applicant is a business that receives rental income (such as mini-warehouse or office suite). *If checked, answer the following question. If “No”, loan is not eligible.*
Applicant has provided adequate documentation that at least 50 percent of revenue is from services provided (not rental income) or if a new business, projections demonstrate that at least 50 percent of Applicant’s revenue will be from services provided 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 part of the assets are 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 \$1.5 million (or \$2 million if the PCLP loan is eligible under public policy goals or \$4 million if the applicant is a Small Manufacturer.) YES ___ NO ___
- Neither the EPC nor the OC is a trust or SBA requirements regarding trusts are met. YES ___ NO ___

___ Applicant is a convalescent or nursing home. If item is checked, answer the following question. If "No", loan is not eligible.

Applicant provides services beyond room and board

YES ___ NO ___

V. Project Financing and Costs – Fill in All Blanks and Answer All Questions. If a question is answered "No," the loan is not eligible.

Debenture Amount	\$ _____	Administrative Costs: SBA guarantee fee	\$ _____
Interim Loan Amount	\$ _____	Funding Fee	\$ _____ CDC processing fee \$ _____
Term of 504 Loan and Debenture	_____ years	Borrower's Out-of-pocket Closing Costs	\$ _____
		CDC Closing Fee	\$ _____ Underwriters fee \$ _____

PERMANENT FINANCING

PROJECT COSTS

Third Party Loans	\$ _____ %	RE Purchase ___ or Lease ___	\$ _____
Net Debenture	\$ _____ %	RE Construction ___ or Impr. ___	\$ _____
Borrower Contribution	\$ _____ %	Debt to be Refinanced	\$ _____
		Professional Fees	\$ _____
		Capital or Long-Term Equipment	\$ _____
		Interim Interest and Fees	\$ _____
TOTAL	\$ _____ % = TOTAL		\$ _____

Third Party Loan for Debt Consolidation, if any \$ _____ = Debt Consolidation, if any \$ _____

Any costs attributable to the Project to be reimbursed to the Applicant are for land acquired prior to applying to SBA for the 504 loan and used in the Project or for other eligible expenses toward the Project within nine

months prior to receipt by SBA of this application. YES__NO__

The Interim Loan does not cover the Borrower's contribution. The source of interim financing is not from any SBA program, directly or indirectly; the terms and conditions of the financing are acceptable; the source is not the Applicant or an Associate of the Applicant; and the source has the experience and qualifications to monitor properly all Project construction and progress payments. YES__NO__

The Borrower Contribution is cash or property that is part of the Project Property and is not derived from an SBA business loan program. If the contribution is borrowed, the interest rate is reasonable and any lien on the Project assets is subordinate to the liens securing the 504 loan, and the loan will not be repaid at a faster rate than the 504 loan. YES__NO__

If the Borrower has been in operation for 2 years (or there is a change in ownership of the applicant business)
• There is an additional Borrower Contribution of at least 5 % (above the minimum 10 %)
• The Debenture will finance no more than 35% of the Project and
• At least 50% of the Project financing will be from state or local government, banks or other financial institutions, foundations or other not-for-profit institutions, or seller (provided seller subordinates its interest to the debenture) YES__NO__

If the Project involves a limited or single-purpose building or structure
• There is an additional Borrower Contribution of at least 5 % (above the minimum 10 %)
• The Debenture will finance no more than 35 0% of the Project
• At least 50% of the Project financing will be from state or local government or other financial institutions, foundations or other not for-profit institution, or seller (provided seller subordinate its interest to the debenture) YES__NO__

If the Borrower has been in operation for 2 years or less (or there is a change of ownership of the applicant business) **and** the Project involves a limited or single-purpose building or structure,
• The Borrower Contribution is at least 20%
• The Debenture will finance no more than 30% of the Project and
• At least 50% of the Project financing will be from state or local government, banks or other financial institutions, foundations or other not-for-profit institutions, or seller (provided seller subordinates its interest to the debenture) YES__NO__

The Third Party Loan is at least as much as the 504 Loan (net proceeds). The Third Party Loan(s) has a term of at least 7 years for a 10 year debenture and at least 10 years for a 20 year debenture. The interest rate is reasonable. Any financing provided by the seller of Project Property is subordinate to the 504 loan and may not be prepaid without SBA consent. YES__NO__

No more than 50% of eligible Project costs are from Federal sources. YES__NO__

Any debt consolidation included in the Third Party Loan will not improve the lien position of the Lender on the pre-existing debt, unless the debt is a previous Third Party Loan. YES__NO__

The aggregate amount of the SBA portions for this application and for all outstanding loans to this Applicant And its affiliates does not exceed \$1.5 million, or \$2 million if the PCLP loan is eligible under the following public policy goal or \$4 million if the applicant is a Small Manufacturer or an Energy Efficiency Project. YES__NO__

VI. Project Economic Development Goals – Answer Question.

Answer if debenture amount is \$1,500,000 or less:

This Project creates or retains one Job Opportunity for every \$65,000 (\$100,000 for a small Manufacturer) guaranteed by SBA. YES__NO__

If "No," answer the following question:

The CDC's overall portfolio of 504 loans, including this loan but exclusive of 504 loans to Small Manufacturers meets or exceeds the CDC's required Job Opportunity Average AND the Project achieves the following community development or public policy goal:

(A Goal must be cited for any 504 Loan where the above jobs test is not met). YES__NO__

If "No", loan is not eligible.

Answer if debenture amount is \$1,501,000 to \$2,000,000 (\$4,000,000 for an Energy Efficiency Project):

This Project is for a small manufacturer and it creates or retains one Job Opportunity for every \$100,000 guaranteed by SBA and the Project achieves the following community development or public policy goal: _____ YES__NO__

If "No," answer the following question:

The project creates or retains one Job Opportunity for every \$65,000 guaranteed by SBA or the CDC's overall portfolio of 504 loans, including this loan but exclusive of 504 loans to Small Manufacturers meets or exceeds the CDC's required Job Opportunity Average AND the Project achieves the following public policy goal: _____ YES ___ NO ___

If "No", loan is not eligible.

Answer only if a debenture amount is over \$2,000,000 to a Small Manufacture:

This Project creates or retains one Job Opportunity for every \$100,000 guaranteed by SBA and the Project achieves the following community development or public policy goal: _____ YES ___ NO ___

If "No", loan is not eligible

VII. Use of Project Proceeds – Check if Applicable

___ To relocate any operations of a small business which will cause a net reduction of one-third or more in the workforce of the relocating small business or a substantial increase in unemployment in any area of the country. *If checked, answer the following questions. If "No" loan is not eligible.*

The relocation is for key economic reasons and crucial to the continued existence, economic wellbeing, and/or competitiveness of the applicant; and the economic development benefits to the applicant and the receiving community outweigh the negative impact on the community from which the applicant is moving.

YES ___ NO ___

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

___ To fund purchase, 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. YES ___ NO ___
- Loan proceeds will not be used to remodel or convert space not occupied by the Applicant or OC. YES ___ NO ___
- Third Party Loan proceeds used to renovate the rental space are not counted towards the 504 first mortgage requirements or the Borrower's Contribution. YES ___ NO ___

___ To finance 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 occupy 60% of rentable space immediately, will lease no more than 20% of rentable space long term, will occupy more than 60% of rentable space within 3 years and plans to occupy at least 80% of rentable space within 10 years. YES ___ NO ___
- Community improvements do not exceed 5 percent of construction proceeds. YES ___ NO ___

___ To purchase, transport, dismantle or install machinery and equipment. *If checked, answer the following question. If "No" loan is not eligible.*

- The machinery and equipment has a useful life of at least 10 years. YES ___ NO ___
(20 years if a 20-year 504 loan is requested)

___ To purchase short-term equipment, furniture and/or fixtures. *If item is checked, answer the following question. If "No," loan is not eligible.*

The dollar amount compared to the total project cost is minimal and will not affect the maturity based upon a weighted average useful life and the items are essential to and a minor portion of the Project.

YES ___ NO ___

___ To fund 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 acquire, construct or modify buildings and improvements, and/or to purchase and install machinery and equipment located on land leased to the Applicant by the CDC or an unrelated lessor. *If checked, answer the following questions. If "No" loan is not eligible.*

- The remaining term of the lease, including options to renew, exercisable solely by the lessee, will equal or exceed the term of the Debenture, or, in the case of machinery or equipment, equals or exceeds the useful life of the property or the term of the Debenture, whichever is less. YES ___ NO ___
- The Applicant will assign its interest in the lease to the CDC with right of reassignment to SBA. YES ___ NO ___
- If CDC is leasing property to the Applicant, the rent paid during the Debenture term will pay principal and interest on all debt incurred by the CDC to finance the Project, and all related expenses. YES ___ NO ___

___ Debt refinance is included in Project costs: *If checked, answer the following questions. If "No" loan is not eligible.*

- | | | |
|-------|--|--------------|
| i. | Total debt refinanced is no more than 50% of new expansion costs | YES___ NO___ |
| ii. | The proceeds of the indebtedness were used to acquire land, including a building situated thereon, to construct a building thereon, or to purchase equipment | YES___ NO___ |
| iii. | The existing indebtedness is collateralized by fixed assets | YES___ NO___ |
| iv. | The existing indebtedness was incurred for the benefit of the small business concern; | YES___ NO___ |
| v. | Project proceeds will be used only for refinancing existing indebtedness or costs relating to the project financed | YES___ NO___ |
| vi. | The financing will provide a substantial benefit to the borrower when prepayment penalties, financing fees, and other financing costs are accounted for; | YES___ NO___ |
| vii. | The borrower has been current on all payments due on the existing debt for not less than 1 year preceding the date of refinancing; | YES___ NO___ |
| viii. | The financing under section 504 will provide better terms or rate of interest than the existing indebtedness at the time of refinancing | YES___ NO___ |
| ix. | No debt refinanced is due to an Associate of applicant, | YES___ NO___ |
| x. | No debt refinanced is due to a Small Business Investment Company | YES___ NO___ |
| xi. | No creditor whose debt is refinanced is in a position to sustain a loss causing a shift of any part of a potential loss to SBA. | YES___ NO___ |

VIII. PCLP Requirements – Check if Applicable

___ Loan is for the following special purpose OR Applicant is or does one of the following (*Loan is not eligible for PCLP*):

- Disabled Assistance Loan Program (DAL)
- Energy Conservation
- Qualified Employee Trusts (ESOP)
- Pollution Control Program
- Does business in a foreign country
- 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 5% of its 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 or Affiliate(s) has/have 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___

___ Question 7 on any required SBA Form 912, Statement of Personal History, for this application is answered “Yes” (*Loan is not eligible for PCLP.*)

___ Question 8 or 9 of any required SBA Form 912, Statement of Personal History, for this application is answered “Yes”. If checked, answer the following:

The application meets one of the following criteria below (which is checked) YES___NO___
 (If “No”, loan is not eligible)

___ Lender has received written clearance of the character issue(s) from the Sacramento Loan Processing Center (SLPC).

___ The charge resulting in a “yes” answer was a single misdemeanor that was subsequently dropped without prosecution and CDC has documentation from the appropriate court or prosecutor’s office showing that the charge was dropped.

___ CDC has previously submitted this application to SBA under any other program, including ALP or regular 504. (*Loan is not eligible for PCLP.*)

___ 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 PCLP.*)

___ Business or any of its principals has been involved in a federal loan or federally assisted financing that defaulted and caused a loss to the Federal government or any of its Departments or agencies. (*Loan is not eligible for PCLP.*)

___ Some or all of refinancing included in Project is used to refinance same institution debt which is due to the PCLP CDC or the Third Party Lender financing the new project or of affiliates of either. (*Loan is not eligible for PCLP.*)

___ Not all collateral securing any debt refinanced as part of the Project is to secure the 504 Project Loans (*Loan is not eligible for PCLP.*)

___ Application is being submitted under the Recovery Act.

If checked, answer the following questions. If "No" loan is not eligible to be submitted under the Recovery Act.

- Loan proceeds will not be used for a casino, or other gambling establishment, golf course, aquarium, zoo or swimming pool.

YES ___ NO ___

IX. Conflict of Interest

SBA may not provide financial assistance to an applicant where there is any appearance of a conflict of interest on the part of SBA or the CDC. All statements must be answered as "true" to be eligible.

- 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 CDC 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 CDC or Associate** of CDC 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 CDC or Associate or close relative of an associate of the CDC 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 CDC 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 CDC's business integrity. True ___
- No CDC or any Associate of CDC has accepted funding from a source that restricts, prioritizes, or conditions the types of small businesses that CDC 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 CDC or an Associate of CDC. True ___
- Neither the Applicant, an Associate of Applicant, close relative nor household member of an Associate of Applicant is required to invest in CDC. True ___
- None of the proceeds of the loan will be used to acquire space in project for which CDC has issued a real estate forward commitment. True ___

(**Associate of a CDC is an officer, director, key employee, or holder of 20 percent or more of the value of the CDC'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.)

X. COMMENTS REGARDING ANY OF ABOVE ANSWERS THAT REQUIRE EXPLANATION OR REGARDING ANY OTHER RELEVANT ELIGIBILITY ISSUES. ATTACH ADDITIONAL PAGE(S) IF NECESSARY.

CDC 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. CDC 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 CDC from making an ineligible loan, and that if an SBA loan number is assigned and SBA later learns that the loan is not eligible, SBA may pursue any available remedy against the CDC including a suit to recover the amount of any money wrongfully paid by SBA and administrative actions under 13 C.F.R. Part 120, Subpart I.

CDC Signature _____
Typed Name and Title _____ Date _____

Rev. 03/27/09

The PCLP CDC completes this form as part of the application package for Section 504 Loan and sends to: Sacramento Loan Processing Center, Small Business Administration, 6501 Sylvan Road, Suite 111, Citrus Heights, CA. 95610-5017 (Or fax to 916 735 0640).