



## U.S. SMALL BUSINESS ADMINISTRATION

### **Lender Advantage Loan Initiative** **(SBA Form 2301, Part A)**

This page explains the purpose and use of the attached form: Lender Advantage Initiative Small Business Application Form (SBA Form 2301, Part A).

Please review this explanation and, if appropriate, complete and submit the attached application to an authorized lender. Contact the [SBA district office in your state](#) to receive a listing of local SBA lenders eligible for this initiative.

The SBA guarantees loans made by lenders to small businesses. Small businesses meeting certain criteria can apply for a guaranteed loan under the Lender Advantage Initiative (see below) using the attached form. *Note: SBA does not provide direct loans to fund small businesses -- other than disaster victims in officially declared disaster areas – so please do not submit this form to the SBA or any other governmental entity as this will likely delay consideration of your request.*

After the lender receives your application, your information will be reviewed and, if appropriate, the lender will send the application and other required information to SBA for consideration. The lender will then notify you of SBA's decision whether it will guarantee the loan.

The key features of SBA's Lender Advantage Initiative include:

- SBA guarantees up to:
  - \$350,000 for Small/Rural Lender Advantage loans (S/RLA);
  - \$250,000 for Community Advantage loans (CA); and
  - \$250,000 for Small Loan Advantage (SLA) loans.
- A shorter, simplified SBA application.
- Limited but key financial documentation required.
- SBA guarantees 85 percent if the loan is \$150,000 or less; 75 percent if the loan is more.



Exp. Date:

SMALL BUSINESS APPLICATION FOR SBA GUARANTEED LOAN

(To be completed by the Small Business Applicant and submitted to an SBA Participating Lender)

A. SMALL BUSINESS APPLICANT (ALL FIELDS MUST BE COMPLETED. Use "N/A," if blank is Not Applicable)

Business Name
Trade Name (if different)
Type: Proprietorship • Partnership • Corporation • LLC • Other • Specify
Address (Physical Location): Street
City State County Zip
Mailing Address (if different from above): Street
City State County Zip
Phone E-mail
IRS Tax ID # Business Bank
Date Business Established Date Applicant Ownership Established
No. of employees existing No. of jobs to be created and/or retained as a result of the loan.
Franchise? Yes • No • If "Yes," name of franchise
Exporter? Yes • No • If "Yes," estimated total export sales this loan will support \$

B. LOAN REQUEST

Amount \$ Maturity: (mos.) Purpose:
Have you contracted with anyone (including the lender) to prepare this application (packager) or find a lender (referral agent)? Yes No
If "Yes" complete and submit to Lender SBA Form 159(7a) for each Agent. In addition have the Agent complete its section of the form. The form is found at www.sba.gov/aboutsba/sbaprograms/elending/lgpc/forms.

C. INDEBTEDNESS: Furnish information on ALL BUSINESS debts, contracts, notes and mortgages payable. Indicate by an (\*) items to be paid with loan proceeds.

Table with 10 columns: To Whom Payable, Purpose, Appr. Date, Current Balance, Interest. Rate, Maturity Date, Payment. Amount, Payment Frequency, Collateral, Status

D. PRINCIPALS & GUARANTORS: Submit individual Section "D" (attached) for each principal and guarantor

List Individuals completing and submitting Part D below:

Blank lines for listing individuals completing and submitting Part D below.

E. SIGNATURE

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

I agree that if SBA approves this loan application I will not, for at least two years, hire as an employee or consultant anyone that was employed by the SBA during the one-year period prior to the disbursement of the loan.

I hereby certify that: (1) as consideration for any Management, Technical, and Business Development Assistance that may be provided, I waive all claims against SBA and its consultants, and (2) all information contained in this document and any attachments is true and correct to the best of my knowledge.

Signature Date
Print Name Title

If Corporation, attested by:

Signature of Corporate Secretary



**LENDER ADVANTAGE INITIATIVE**  
**SMALL BUSINESS APPLICATION FOR SBA GUARANTEED LOAN - Section D**  
To be completed by each principal and guarantor of the Small Business Applicant

<b>D1</b>	Full Name _____ Phone (____) _____ Social Sec. No. _____ E-mail _____ Title (if any) _____ Percentage Owned _____ % Address _____ City _____ State _____ Zip _____ Date of Birth _____ Place of Birth (City and State or Foreign Country) _____ U.S. Citizen? Yes No If "No," provide USCIS G-845 (available at <a href="http://www.uscis.gov">www.uscis.gov</a> , then click "Immigration Forms") to Lender.
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<b>D2*</b>	Race: American Indian or Alaska Native Black or African American Asian Native Hawaiian or Pacific Islander White Ethnicity: Hispanic or Latino Gender: Male Veteran : Veteran-Other Service-Disabled Veteran Not Hispanic or Latino Female Non-Veteran
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\*This data is collected for statistical purposes only. It has no bearing on the credit decision. Disclosure is voluntary. One or more boxes for race may be selected.

**D3 PERSONAL FINANCIAL STATEMENT:**

Liquid Assets \$ _____	Ownership in Business \$ _____	Real Estate-Market Value \$ _____
Assets-Other \$ _____	Total Assets \$ _____	
Liabilities-Real Estate \$ _____	Liabilities-Other \$ _____	Total Liabilities \$ _____
Annual Business Salary \$ _____	Other Repayment Income \$ _____	Source _____
Residence: Own Rent/Lease Mthly Housing Cost (Rent or Mortgage) \$ _____		

**D4 CURRENT and PREVIOUS SBA and OTHER GOVERNMENT FINANCING:** Complete the chart below:  
 1) SBA loan applications pending for applicant or any of its affiliates; 2) Federal loan, including any SBA loan, received by the applicant including loans that have been paid in full or charged off; 3) Federal loan (including student and disaster loans) received by any principal of the applicant; 4) Federal loan received by any other business currently or previously owned by the principal of the applicant. If there has been a loss to the government as a result of a charge off, compromise, or discharge due to bankruptcy for any of the listed debt, it must be identified below. LOSS is the outstanding principal balance of the loan that the government agency had to write off after all collection activities (including any compromise) were finalized.

Borrower Name	Name of Agency	Agency Loan #	Date	Orig. Loan Amount	Outstanding Balance	Loan Status	Amount of any Loss to Government

**D5 DISCLOSURES (THESE QUESTIONS MUST BE COMPLETED. Mark "Yes" box or "No" box as appropriate.):**

- I. Have you or any officer of your company ever been involved in bankruptcy or insolvency proceedings; and/or are you or your business involved in any pending lawsuits? **Yes No** If "Yes," provide the details. Label as Exhibit A.
- II. Do you or your spouse or any member of your household, or anyone who owns, manages, or directs your business or their spouses or members of their households work for the Small Business Administration, Small Business Advisory Council, SCORE or ACE, any Federal Agency, or the participating lender? **Yes No** If "Yes," provide the name and address of the person and the office where employed. Label this Exhibit B.
- III. Affiliates: Do you or the applicant business have any controlling interest in any other business as owner, principal, partner or manager? **Yes No** If "Yes," provide the details. Label as Exhibit C.
- IV. Are you: (a) presently under indictment, on parole or probation, **Yes No** or (b) have ever been charged with or arrested for any criminal offense (including DUI) other than a minor motor vehicle violation (including offenses which have been dismissed, discharged, or nolle prosequi) **Yes No** or (c) convicted, placed on pretrial diversion, or placed on any form of probation including adjudication withheld pending probation for any criminal offense other than a minor motor vehicle violation? **Yes No** If "Yes," complete and submit an SBA Form 912: [www.sba.gov/aboutsba/sbaprograms/elending/lgpc/forms](http://www.sba.gov/aboutsba/sbaprograms/elending/lgpc/forms).
- V. I have received and read "STATEMENTS REQUIRED BY LAW AND EXECUTIVE ORDERS," including Privacy Act rights information (attached). **Yes No**

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

**REPRESENTATIONS AND AUTHORIZATIONS:** I represent that I have read the items above and I understand them. I represent that I will comply, whenever applicable, with the hazard insurance, lead-based paint, civil rights or other limitations in this notice. I further represent that all SBA loan proceeds will be used only for business related purposes as specified in the loan application and, to the extent feasible, to purchase only American-made equipment and products. I authorize the SBA Office of Inspector General 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.

**CERTIFICATION AS TO ACCURACY:** I certify that the information provided in this application and the information that I have provided in all supporting documents and forms is true and accurate. I realize that the penalty for knowingly making a false statement to obtain a guaranteed loan from SBA is that I may be fined up to \$250,000 and/or be put in jail for up to 5 years under 18 USC § 1001 and if false statements are submitted to a Federally insured institution, I may be fined up to \$1,000,000 and/or be put in jail for up to 30 years under 18 USC § 1014.

VI. **Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

## Addendum for Community Advantage Applicants only

**1. Please check one:**

- Business not established yet.  
 Existing Business:

If in business more than a year, the most recent full business year's Gross Revenue or Sales \$ \_\_\_\_\_

- 2 a.** In the past 12 months, have you received any Management and Technical Assistance training or counseling from any organization?  Yes  No  
 (If "No," skip the rest of this page. If "Yes," answer "b," "c," and "d" below.)

**b.** Indicate the type of assistance you received (check all that apply):

- |   |   |
|---|---|
| <input type="checkbox"/> Start-up assistance        | <input type="checkbox"/> Government contracting |
| <input type="checkbox"/> Business plan              | <input type="checkbox"/> Franchising            |
| <input type="checkbox"/> Financing/Capital          | <input type="checkbox"/> Buy/Sell a business    |
| <input type="checkbox"/> Managing a business        | <input type="checkbox"/> Technology/Computers   |
| <input type="checkbox"/> Customer relations         | <input type="checkbox"/> eCommerce              |
| <input type="checkbox"/> Business Accounting/Budget | <input type="checkbox"/> Legal Issues           |
| <input type="checkbox"/> Cash Flow Management       | <input type="checkbox"/> International Trade    |
| <input type="checkbox"/> Tax Planning               | <input type="checkbox"/> Human Resources        |
| <input type="checkbox"/> Marketing/Sales            | <input type="checkbox"/> Other _____            |

**c.** Have you received training or counseling from any of the following sources? Check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> SCORE                             | <input type="checkbox"/> Veterans Business Centers |
| <input type="checkbox"/> Small Business Development Center | <input type="checkbox"/> Women's Business Center   |
| <input type="checkbox"/> Bank or Other Lending Institution | <input type="checkbox"/> Other _____               |

**d.** Estimate the total hours of counseling or training received for each type:

Type of Counseling or Training	Total Approximate Hours		
	Less than 3 hrs	3 - 5 Hours	5+ Hours
One-on-one Counseling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Telephone Counseling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Web-based Tutorials	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Group Training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

**STATEMENTS REQUIRED BY LAW AND EXECUTIVE ORDERS**

SBA is required to withhold or limit financial assistance, to impose special conditions on approved loans, to provide special notices to applicants or borrowers and to require special reports and data from borrowers in order to comply with legislation passed by the Congress and Executive Orders issued by the President and by the provisions of various inter-agency agreements. SBA has issued regulations and procedures that implement these laws and executive orders, and they are contained in Parts 112, 113 and 117, Title 13, Code of Federal Regulations Chapter 1, or Standard Operating Procedures.

**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.

**Privacy Act (5 U.S.C. 552a)**

Any person can request to see or get copies of any personal information that SBA has in his or her file when that file is retrieved by individual identifiers such as name or social security numbers. 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.

Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. Disclosures of name and other personal identifiers are, however, required for a benefit, as SBA requires an individual seeking assistance from SBA to provide it with sufficient information for it to make a character determination. In determining whether an individual is of good character, SBA considers the person's integrity, candor, and disposition toward criminal actions. In making loans pursuant to section 7(a)(6) of the Small Business Act (the Act), 15 USC Section 636(a)(6), SBA is required to have reasonable assurance that the loan is of sound value and will be repaid or that it is in the best interest of the Government to grant the assistance requested. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B). Further, 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 Act or the Small Business Investment Act, 15 USC Sections 634(b)(11) and 687(b)(a), respectively. For these purposes, you are asked to voluntarily provide your social security number to assist SBA in making a character determination and to distinguish you from other individuals with the same or similar name or other personal identifier.

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 investigative files 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; only to the extent the information is relevant to the requesting agencies' function. See, 74 F.R. 14890 (2009), as amended from time to time for additional background and other routine uses.

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

This is notice to you as required by the Right of 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 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 guaranty.

**Flood Disaster Protection Act (42 U.S.C. 4011)**

Regulations have been issued by the Federal Insurance Administration (FIA) and by SBA implementing this Act and its amendments. These regulations prohibit SBA from making certain loans in an FIA 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, including disaster assistance.

**Executive Orders -- Floodplain Management and Wetland Protection (42 F.R. 26951 and 42 F.R. 26961)**

SBA discourages any settlement in or development of a floodplain or a wetland. This statement is to notify all SBA loan applicants 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.

**Occupational Safety and Health Act** (15 U.S.C. 651 et seq.)

This legislation authorizes the Occupational Safety and Health Administration in the Department of Labor to require businesses to modify facilities and procedures to protect employees or pay penalty fees. Businesses can be forced to cease operations or be prevented from starting operations in a new facility. Therefore, SBA may require additional information from an applicant to determine whether the business will be in compliance with OSHA regulations and allowed to operate its facility after the loan is approved and disbursed. Signing this form as an applicant is a certification that the OSHA requirements that apply to the applicant business have been determined and that the applicant, to the best of its knowledge is in compliance. Furthermore, applicant certifies that it will remain in compliance during the life of the loan.

**Civil Rights Legislation**

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)

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.

**Executive Order 11738 -- Environmental Protection** (38 C.F.R. 25161)

The Executive Order charges 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 principals of all small businesses borrowing \$100,000 or more in direct funds stipulate to the following:

1. That any facility used, or to be used, by the subject firm is not cited on the EPA list of Violating Facilities.
2. 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 there under.
3. 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.

**Debt Collection Act of 1982 Deficit Reduction Act of 1984** (31 U.S.C. 3701 et seq. and other titles)

These laws require SBA to collect aggressively any loan 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: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice or other attorneys for litigation, or (6) foreclose on collateral or take other action permitted in the loan instruments.

**Immigration Reform and Control Act of 1986** (Pub. L. 99-603)

If you are an alien who was in this country illegally since before January 1, 1982, you may have been granted lawful temporary resident status by the United States Immigration and Naturalization Service pursuant to the Immigration Reform and Control Act of 1986. For five years from the date you are granted such status, you are not eligible for financial assistance from the SBA in the form of a loan or guaranty under section 7(a) of the Small Business Act unless you are disabled or a Cuban or Haitian entrant. When you sign this document, you are making the certification that the Immigration Reform and Control Act of 1986 does not apply to you, or if it does apply, more than five years have elapsed since you have been granted lawful temporary resident status pursuant to such 1986 legislation.

**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 SBA 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.

**Executive Order 12549, Debarment and Suspension** (13 C.F.R. 145)

1. The prospective lower tier participant certifies, by submission of this loan application, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participants shall attach an explanation to the loan application.



## LENDER ADVANTAGE INITIATIVE

### SMALL BUSINESS APPLICANT'S INSTRUCTIONS TO SBA FORM 2301, PART A

The following directions provide guidance for the Small Business Applicant ("Applicant"). Each lettered section in these instructions corresponds to the same letter on the form. Please type or print legibly. **ALL application entries need to be completed or identified as "not applicable" by using "N/A."** If necessary, use separate sheets of paper for additional answers to each section.

#### **Documentation to be submitted by Applicant to the Lender:**

1. Complete, signed, and dated SBA Form 2301, Part A, Small Business Application for Guaranty.
2. Business financial statements:
  - a. For an existing business or for a change of ownership, business financial statements for the last three years. In addition, if the most recent year-end statement is over 3 months old, then an interim financial statement is required where the date is not more than 90 days old at the time of the application. (Three years of financial statements for any affiliates\* is also required.)
  - b. A projection of earnings for at least one year including assumptions.
3. An itemized list of collateral being offered including the serial or identification numbers for any item with a value greater than \$5,000. For real estate, include a legal description.
4. Separate, completed forms identified in SBA Form 2301, Part A, for example Form 159(7a), Fee Disclosure Form.
5. Any other information that the lender may require to make an informed credit and eligibility determination.

#### **Instructions for the completion of SBA Form 2301, Part A, Applicant's portion**

All principals and guarantors need to complete, sign, and date Section D, but only one principal needs to complete, sign and date the entire form.

#### **Section A: APPLICANT**

1. Business Name: Legal name of the entity applying for the SBA-guaranteed loan.
2. Trade Name: Operating name (such as a d/b/a) if different from business name.
3. Type: Legal organizational structure of the business. If "other," please complete "specify."
4. Street Address: Street address of the business. The location where the business is (or will be) operating.
5. City, State, County, Zip: City, state, county, and zip code of the street address.
6. Mailing Address: If different from street address.
7. Phone: Telephone number (including area code) of the business.
8. IRS Tax ID #: The business employer I.D. number assigned by the IRS, or, if none, the owner's Social Security number. **Do not use "Pending."**
9. Business Bank: Financial Institution where business has its business checking account and/or loans.
10. Date Business Established: The date the business was established.
11. Date Applicant Business Ownership Established: The date of the most recent change in ownership. This includes the date that the current owners acquired or will acquire this business **or** the most recent date of any change in the percentages of ownership of the current owners or any proposed change as a result of the loan.
12. Number of employees (if part-time employees, add part-time employees together to make a full-time equivalent) that are on payroll for each pay period for the last 12 months averaged by the number of pay periods.
  - a. Existing number of employees currently employed by the business;
  - b. No. of jobs to be created as a result of the loan; and/or
  - c. No. of jobs that will be retained as a result of the loan that would have been otherwise lost.
13. Exporter: Mark appropriate box if business exports any product or service.

#### **Section B: LOAN REQUEST**

1. Amount: Total amount of loan requested.
2. Maturity: Number of months until loan is to be repaid. (Ex. 15 years would be 180 months.)
3. Purpose: Briefly explain how the loan will be used.
4. Identify whether you have contracted with anyone (including the lender) to prepare this application (packager) and/or find a lender (referral agent): Check appropriate box. If "Yes," complete and submit an SBA Form 159(7a) located at: [www.sba.gov/aboutsba/sbaprograms/elending/lgpc/forms](http://www.sba.gov/aboutsba/sbaprograms/elending/lgpc/forms).

### **Section C: INDEBTEDNESS**

Provide the requested information on all business debts. (Note: This includes personal debts used for business purposes such as second mortgage whose funds were used as business working capital.) Add additional sheet(s) if necessary containing the same information as indicated on the application. Provide the number of scheduled payments in a 12-month period or other terms, if appropriate, to report "Pmt. Frequency."

### **Section D: PRINCIPALS & GUARANTORS**

**Complete this section for each principal (to include anyone who was a principal within the last six months) and each guarantor. (Note: Important - Only one signature is allowed in this section for each principal and guarantor. Use of a separate sheet for each is required. Section D can be photocopied for this purpose.) You must account for 100 percent of ownership.**

"Principal" includes: 1) for a sole proprietorship, the sole proprietor; 2) for a partnership, each general partner and each limited partner owning 20 percent or more of the business; 3) for a corporation, each owner of 20% or more of the corporation and each officer and director; 4) for a limited liability company, each member owning 20% or more of the company and each officer, director and managing member; 5) any person hired by the business to manage day-to-day operations ("key employee"); 6) married couples where both own some interest in the applicant and together they own at least 20 percent; and 7) any other person who is guaranteeing the loan, if that guaranty is required by SBA. A list of any other owners that are not principals needs to be submitted to include the name and percentage of ownership so that 100 percent ownership is accounted for.

#### **D1**

1. Full Name - Full legal name.
2. Phone - Home telephone number including the area code.
3. Social Security Number - nine digit numeric.
4. Title - Position held in the business (i.e., President, Partner, etc.).
5. Percentage Owned – The percent of ownership of the business. If guarantor and no ownership, indicate with a "0."
6. Address - Street, city, state, county, and zip of home address.
7. Date of Birth - Month, day, year.
8. Place of Birth - Where individual was born by city and state OR city and foreign country.
9. U.S. Citizen? - Check the proper box. If "No," complete and submit to the Lender a signed Form G-845, "Document Verification Request," (available at [www.uscis.gov](http://www.uscis.gov), then click "Immigration Forms").

#### **D2**

1. Check appropriate boxes in this section where indicated.
2. Veteran Status: Check "Veteran-Other" for all veterans except "Service Disabled" which has its own box. For those who are not veterans, check "Non-Veteran."

#### **D3 - Personal Financial Statement**

1. Liquid Assets - Include liquid assets such as checking, savings, money markets, certificate of deposits, bonds, stocks (publicly traded), cash value of life insurance, and marketable securities. Do not include individual retirement accounts, Keoghs, 529s or similar assets.
2. Ownership in Business - Value of ownership in the applicant business.
3. Real Estate - Market value of all real estate owned personally.
4. Assets Other - Any assets not otherwise listed (include individual retirement accounts and similar assets here).
5. Total Assets - Total value of all assets in numbers 1, 2, 3, and 4 of this section.
6. Liabilities Real Estate - Total of all debt/mortgages on real estate owned.
7. Other Liabilities - Total of all debt excluding real estate debt.
8. Total Liabilities - Total of all liabilities in numbers 6 and 7 of this section.
9. Annual Business Salary - From the applicant business.
10. Other Sources of Repayment – An income source outside of business operations that is available to the principal(s) on a consistent basis in an amount that sufficiently exceeds the individual's personal needs to permit orderly repayment of the loan over a reasonable period of time.
11. Source – Identify source of the "Other Source of Repayment" in No. 11.
12. Residence Own, Rent/Lease - Indicate if current residence is owned, rented, or leased.
13. Monthly Housing - Monthly mortgage (including taxes and insurance) or rent/lease payment of residence.

**D-4 Current and Previous SBA or Other Government Financing**

1. Complete for Small Business Applicant and any Affiliates: 1) SBA loan applications pending; 2) Federal debt including SBA, received including loans that have been paid in full or charged off.
2. Complete for all Principals: 1) Federal debt (including student and disaster loans) borrowed by any principal of the applicant; 2) Federal debt borrowed by any other business currently or previously owned by the principal of the applicant.
3. If there has been a loss to the government as a result of a charge off, compromise, or discharge due to bankruptcy for any of the listed debt, it must be identified. LOSS is the outstanding principal balance of the loan that the government agency had to write off after all collection activities (including compromise) were finalized.

**D-5 Disclosures**

**I and II** - Self-explanatory.

**III** – Details concerning affiliates must include a business’s total number of employees (including full-time equivalents of part-time employees) and average annual sales for past 3 years.

**IV** – This section must be filled out and signed by: 1) for a sole proprietorship, the sole proprietor; 2) for a partnership, each general partner and each limited partner owning 20 percent or more of the business; 3) for a corporation, each owner of 20% or more of the corporation and each officer and director; 4) for a limited liability company, each member owning 20% or more of the company and each officer, director and managing member; and 5) any person hired by the business to manage day-to-day operations (“key employee”). Guarantors do not complete.

**VI – Signature and Date.** - All principals and guarantors must sign and date the separate sheet they complete for this section.

**If this section is not signed and dated, the application cannot be accepted for processing.**

**Section E: SIGNATURE**

Sign application, date it, and print name and title. Corporate Secretary must sign if applicant is a corporation.

**If this section is not completed, signed, and dated, the application cannot be accepted for processing.**

\*Definition of Affiliate of a small business: Affiliation exists when one individual or entity controls or has the power to control another or a third party or parties controls or has the power to control both. SBA considers factors such as ownership, management, previous relationships with or ties to another entity, and contractual relationships when determining whether affiliation exists. The complete definition of affiliation is found at 13 CFR 121.103. (See also, 13 CFR 121.107 and 121.301.) An “Affiliate” includes, for example: (1) a parent company; (2) subsidiaries and other companies that are owned or controlled by the Applicant; (3) companies in which an officer, director, general partner, managing member or party owning 20% or more is also an officer, director, general partner, managing member or 20% or greater owner of the Applicant; (4) companies or individuals with unexercised options to own 50% or more of the Applicant’s stock; and (5) companies that have entered into agreements to merge with the Applicant.

NOTE: According to the 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 burden for completing this form, including time for reviewing instructions, gathering data needed, and completing and reviewing the form is 2 hours per response. Comments or questions on the burden estimates should be sent to the SBA Desk Officer, Office of Management and Budget, New Executive Bldg., Room 10202, Washington, DC 20503 and or to U.S. Small Business Administration, Chief, AIB, 409 3rd St., SW, Washington DC 20416. **PLEASE DO NOT SEND FORMS TO THIS ADDRESS.**