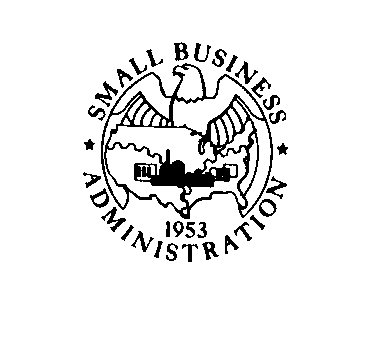
OMB Control No. 3245-0361



Exp. Date:

Eligibility Information for Preferred Lender Participation (PLP) Loans

(including Small Loan Advantage (SLA) Loans)

This entire form is to be completed by the PLP lender.

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

Lender Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Purpose of Loan \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Describe Type of Business \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

If the answer to either of the following two statements is “No,” the loan is not eligible:

Applicant is an operating business organized for profit, is located in the 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\_\_\_

A. 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 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(SBA size standards by NAICS industry are found at [13 CFR 121.201](http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr;sid=6972c2132672f4dc379c3e7d54da8d8f;rgn=div5;view=text;node=13%3A1.0.1.1.16;idno=13;cc=ecfr#13:1.0.1.1.16.1.264.9).)

OR (alternative size standard) tangible net worth is \_\_\_\_\_\_\_\_\_\_\_ (not in excess of $15 million) and average net income after Federal income taxes (excluding any carry-over losses) for the preceding two completed fiscal years is \_\_\_\_\_\_\_\_\_\_\_ (not in excess of $5.0 million). (The alternative size standard is found at §3(a) of the Small Business Act.)

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\_\_\_

OR

The combined size calculation of applicant and its affiliates meets the alternative size standard. 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\_\_\_

Check if applicable regarding any affiliates:

\_\_\_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, list the primary industry of applicant and affiliates and the NAICS code. Also, state1) 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 after Federal income taxes (excluding any carry-over losses) for the preceding two fiscal years for applicant and all affiliates.

Check if applicable regarding any franchise/license/dealer/jobber agreement:

\_\_\_\_Applicant business has a franchise/license/dealer/jobber or similar agreement. *If checked, answer the following:*

The Franchise Registry lists the agreement as an approved agreement. YES\_\_\_NO\_\_\_

*If “No,” answer the following statement:*

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

*If “No,” loan is not eligible.*

B. Associates of the Applicant

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\_\_\_

No Associate (an officer, director, owner of more than 20 percent of the equity, or key employee) of the Applicant is

incarcerated, on probation, on parole, or under indictment for a felony or a crime of moral turpitude. YES\_\_\_NO\_\_\_

All owners of 20 percent or more of the Applicant (including a spouse owning 5 percent or more when the combined ownership of both spouses is 20 percent or more) will guarantee the loan (except for ESOPs or eligible 401(k) Trusts). YES\_\_\_NO\_\_\_

All Associates of the business are either U.S. citizens or non-U.S. citizens whose status is being verified with USCIS or SBA. For non-U.S. citizens, the lender has obtained a copy of the individual’s USCIS documentation and submitted a USCIS Form G-845, “Document Verification Request” with supporting information to USCIS or SBA. In addition, the lender will not close and disburse the loan prior to receiving confirmation from USCIS or SBA that the alien status of all Associates

meets SBA’s policies. YES\_\_\_NO\_\_\_

If “Yes,” CHOOSE the ONE that applies (If neither applies, the loan is not eligible):

\_\_\_\_The business is at least 51 percent owned by individuals who are U.S. citizens and/or who have Lawful Permanent Resident (LPR) status, which lender will verify with the USCIS or SBA prior to first disbursement, and control the management and daily operations of the business; OR

\_\_\_\_The business is at least 51 percent owned by aliens with an alien status other than LPR, which lender will verify with the USCIS or SBA prior to first disbursement, the lender has determined that continual and consistent management of the business has been provided by a U.S. citizen or by an LPR (which lender will verify with the USCIS or SBA prior to first disbursement) 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.)

# C. Terms of the Loan

The interest rate of the loan does not exceed the maximum amount allowable by SBA. YES\_\_\_NO\_\_\_

Applicant does not have a non-SBA-guaranteed loan made by any lender at or about the same time for a similar

purpose as this PLP loan, with a lien position on collateral senior to this PLP loan (“Preference”). YES\_\_\_NO\_\_\_

CHOOSE ONE – Loan Maturity (If neither applies, the loan is not eligible)

\_\_\_\_\_\_\_\_ The maturity of the loan does not exceed the maximum allowable by SBA for the use of proceeds and is the

shortest appropriate term commensurate with repayment ability of the Applicant (for all 7(a) loans except EWCP).

\_\_\_\_\_\_\_\_The loan is an Export Working Capital Program (EWCP) loan. The maturity of the loan for a single transaction loan does not exceed 18 months (no more than 6 months of which is post shipment) OR for a revolving line of credit does not exceed 3 years.

CHOOSE ONE – Amount of SBA Guaranty on Loan (If neither applies, the loan is not eligible.)

\_\_\_\_\_\_\_\_SBA guaranty percentage for this loan does not exceed 85% for loans of $150,000 or less and does not exceed 75% for loans greater than $150,000.

\_\_\_\_\_\_\_\_\_This is an EWCP loan. The SBA Guaranty for this loan does not exceed 90 percent.

CHOOSE ONE – Amount of SBA Guaranty on Combined Borrowing: (If neither applies, the loan is not eligible.)

\_\_\_\_\_\_\_\_The aggregate guaranty amount of the SBA portions for this application and all outstanding 7(a) and 504 loans to Applicant and its affiliates does not exceed $3.75 million.

\_\_\_\_\_\_\_\_This is a working capital loan request to a borrower that has an International Trade (IT) loan. The guaranty amount of this working capital loan does not exceed $4.0 million. To the extent that the applicant has a separate EWCP loan or any other 7(a) loan for working capital, the maximum SBA guaranty amount for those loans is counted against the $4.0 million limit for working capital for the IT loan. The total maximum SBA guaranty amount for an IT loan and all outstanding 7(a) and 504 loans to Applicant and its affiliates is $4,500,000.

CHOOSE ONE – Amount of Loan:

\_\_\_The loan request is for a standard 7(a) loan and does not exceed $5,000,000.

\_\_\_The loan request is for a SLA loan and does not exceed $250,000.

# D. 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 owned by developers or landlords that do not actively use or occupy the assets acquired or improved with the loan proceeds and that is not an Eligible Passive Company discussed below
* bail bond company
* life insurance company
* located in a foreign country or owned by undocumented (illegal) aliens
* pyramid sale distribution plan
* any illegal activity
* principally engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs, whether in a religious or secular setting.
* consumer or marketing cooperative
* earns 1/3 or more of its gross annual revenue from packaging SBA loans
* 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
* primarily engaged in political or lobbying activities
* a speculative business (such as oil wildcatting, mining and research & development)

\_\_\_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 is primarily engaged in subdividing real property into lots and developing it for resale on its own account or in owning or purchasing real estate and leasing it for any purpose. *If checked, loan is not eligible.*

\_\_\_Applicant is a hotel, motel, recreational vehicle park, campground, marina or similar type of business. *If checked, answer the following question.*

*If “No” loan is not eligible.*

Applicant derives 50 percent 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 $3.75 million. YES\_\_\_NO\_\_\_

* Neither the EPC nor the OC is a trust or SBA requirements regarding trusts are met. YES\_\_\_NO\_\_\_

# E. Use of Proceeds

\_\_\_To provide or refinance funds used for payments, distributions, or loans to Associates of the Applicant.

*If checked, loan is not eligible.*

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

\_\_\_To provide funds for floor plan financing. *If checked, loan is not eligible*

\_\_\_For debt refinancing. *If checked,* ATTACH A DEBT SCHEDULE TO THE CHECKLIST SHOWING THE TERMS OF THE DEBT TO BE REFINANCED AND THE JUSTIFICATION FOR THE REFINANCING AND INCLUDE IN THE LOAN FILE*. Also, answer the following questions. If the answer is “No,” loan is not eligible.*

### SBA loan proceeds will not be used to refinance debt originally used to finance a loan purpose that would have been ineligible for SBA financing at the time it was originally made. YES\_\_\_NO\_\_\_

* Refinancing will provide a substantial benefit to Applicant of at least 10% needed improvement to cash flow.

If more than one debt is refinanced, the new debt will have at least a 10% cash flow improvement over the combined cash flow of the debt being refinanced. (This does not apply if the refinanced debt is a demand note,

involves a balloon payment, credit card obligation used for business related purposes, or revolving line of credit [short term or long term] .) YES\_\_\_NO\_\_\_

* Existing debt is one of the types of debt that may be refinanced with an SBA loan. YES\_\_\_NO\_\_\_
* Debt to be refinanced is NOT same institution debt (SID) between the Applicant and the requesting SBA lender unless it meets the following requirements:

The SID to be refinanced is:

(1) an interim loan approved by the lender within 90 days prior to the issuance of an SBA loan number

AND is for non-real estate construction purposes; OR

(2) is a construction loan that has not been disbursed. YES\_\_\_NO\_\_\_

* Debt to be refinanced is either 1) a non-SBA-guaranteed loan or 2) an SBA-guaranteed loan with another lender and meets the requirements for refinancing an SBA-guaranteed debt through delegated processing set forth in SOP 50 10 5, Subpart B, Chapter 2. 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\_\_\_
* 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\_\_\_

\_\_\_To refinance seller take-back financing. *If checked, answer the following questions. If “No,” loan is not eligible.*

* The seller take-back financing is not less than 24 months following a change of ownership and the seller take-back financing is and has been current for the past 24 months. YES\_\_\_NO\_\_\_
* A new business valuation has been obtained OR the existing business valuation meets the requirements of SOP 50 10 5, Subpart B, Chapter 4. YES\_\_\_NO\_\_\_

\_\_\_To fund or refinance a change of 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\_\_\_
* Change is 100% of ownership or a business repurchasing 100% of one or more of its owners’

interests. YES\_\_\_NO\_\_\_

* The loan proceeds will not pay off an SBA-guaranteed loan of the seller with the **same** lender. YES\_\_\_NO\_\_\_

CHOOSE ONE – Business Valuation Requirements

\_\_\_\_The amount being financed (including any 7(a), 504, seller, or other financing) minus the appraised value of real estate and/or equipment being financed is $250,000 or less. The valuation of the business is supported by at least a lender’s valuation. If the valuation analysis is performed by the lender’s loan officer, a synopsis is attached. OR

\_\_\_\_The amount being financed (including any 7(a), 504, seller or other financing) minus the appraised value of real estate and/or equipment is more than $250,000 OR there is a close relationship between the buyer and the seller. The lender has obtained an independent business valuation from a qualified source.

CHOOSE ONE – Financing intangible assets:

\_\_\_\_The purchase price of the business does not include intangible assets (including, but not limited to, goodwill, client/customer lists, patents, copyrights, trademarks and agreements not to compete) in excess of $500,000.

\_\_\_\_The purchase price of the business includes intangible assets (including, but not limited to, goodwill, client/customer lists, patents, copyrights, trademarks and agreements not to compete), in excess of $500,000 and the borrower and/or seller are contributing at least 25% equity.

\_\_\_For construction of (or the refinancing of the construction for) 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. YES\_\_\_NO\_\_\_

* Community improvements do not exceed 5 percent of the loan amount. YES\_\_\_NO\_\_\_
* If refinancing a construction loan, the construction loan is not with the same lender. YES\_\_\_NO\_\_\_

\_\_\_To provide funds for the 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. YES\_\_\_NO\_\_\_
* Loan proceeds will not be used to remodel or convert any rental space in the property. YES\_\_\_NO\_\_\_

\_\_\_To provide funds for or refinance 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, answer the following question.*

*If “No,” loan is not eligible.*

Loan is an EWCP loan. YES\_\_\_NO\_\_\_

**F. Special Program Requirements**

\_\_\_Loan is one of the following special purpose loans *(If checked, loan is not eligible for PLP):*

* Disabled Assistance Loan Program (DAL) (not currently receiving appropriations)
* Pollution Control Program (not currently receiving appropriations)
* Qualified Employee Trusts (ESOP) (Loans made to an ESOP under 13 CFR 120.350 through 120.354)
* CAPLines Program (including Builders Loan Program)

\_\_\_ Loan is under International Trade Program (IT). *Answer the following questions. If “No,” loan is not eligible.*

* The loan proceeds will be used solely for the purpose of 1) financing the acquisition, construction,

renovation, modernization, improvement, or expansion of productive facilities or equipment to be used in the

United States in the production of goods and services involved in international trade; 2) the refinancing of

existing indebtedness that is not structured with reasonable terms and conditions, including any debt that qualifies for refinancing under Section E above; or 3) working capital [of up to $4,000,000 guaranteed amount]. YES\_\_\_NO\_\_\_

* The small business concern is either 1) in a position to expand existing export markets or develop new

export markets or 2) is confronting increased competition with foreign firms in the relevant market and is

injured by such competition. YES\_\_\_NO\_\_\_

* Lender will 1) take a first lien on the fixed assets financed (or re-financed) with this loan or on other asssets of the small business concern; or 2) take a second lien on the fixed assets financed (or re-financed) with this loan or on other assets of the small business concern and Lender has determined that the second lien provides adequate assurance of the payment of the loan. YES\_\_\_NO\_\_\_
* Collateral is located in the United States, its territories and possessions YES\_\_\_NO\_\_\_
* Lender has reviewed the Ex-Im Bank Country Limitation Schedule (CLS) to verify that the U.S. Government has not restricted trade with any foreign country that the applicant does business with (i.e., no country is identified on the CLS by Note #7).

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

\_\_\_Loan is a revolving credit. *If checked, answer the following question*.

Loan is being made under the Export Working Capital Program (EWCP) and the requesting lender has special authority from SBA to make PLP EWCP loans. (*If no, loan is not eligible for PLP.*) YES\_\_\_NO\_\_\_

\_\_\_ Applicant has not been in business for at least 12 months. (*If checked, loan is not eligible for PLP EWCP).*

\_\_\_ Lender has made a personal loan to an individual for the purpose of providing an equity injection into the business.

(*If checked, loan is not eligible for PLP.)*

\_\_\_Applicant or Affiliates(s) has/have existing SBA loan(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.” *(If checked, loan is not eligible.)*

\_\_\_Question 8 or 9 on 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 for PLP.)*

\_\_\_\_\_Lender has received written clearance of the character issue(s) from the SBA office

serving the territory where the business applicant is located.

\_\_\_\_\_The charge resulting in a “yes” answer was a single misdemeanor that was subsequently dropped without

prosecution and Lender has documentation from the appropriate court or prosecutor’s office showing that the charge was dropped.

\_\_\_ Lender is aware that the application was previously submitted to SBA under any SBA program, including SBA Express,

Community Express, PLP, CLP, Patriot Express or regular 7(a). (*If checked, loan is not eligible for PLP.)*

\_\_\_Loan will be collateralized by commercial property that will not meet SBA’s environmental requirements or that will require

use of a non-standard indemnification agreement. *(If checked, loan is not eligible for PLP)*

\_\_\_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. *(If checked, loan is not eligible for PLP.)*

# G. Conflict of Interest (13 CFR Part 105)

# *SBA will not provide financial assistance under delegated processing authority to an applicant when granting such financial assistance could result in the appearance of a conflict of interest between the Federal Government and the Applicant. Please answer the following questions. If any of the answers to the following statements cannot be answered “True,” then the application may not be submitted under delegated processing.*

* No SBA employee, or the household member\* of an SBA employee, is a sole proprietor, partner, officer, director, or stockholder with a 10 percent or more interest, of the Applicant. [13 CFR 105.204] True\_\_\_\_
* No former SBA employee, who has been separated from the SBA for less than one year prior to the request for financial assistance, is an employee, owner, partner, attorney, agent, owners of stock, officer, director, creditor or debtor of the Applicant. [13 CFR 105.203] True\_\_\_\_
* No Member of Congress, or an appointed official or employee of the legislative or judicial branch of the Federal Government, is a sole proprietor, general partner, officer, director, or stockholder with a 10 percent or more interest, or household member of such individual, of the Applicant. [13 CFR 105.301(c)] True\_\_\_\_
* No Government employee having a grade of at least GS-13 or higher is a sole proprietor, general partner, officer, director, or stockholder with a 10 percent or more interest, or household member of such individual, of the Applicant. [13 CFR 105.301(a)] True\_\_\_\_
* No member or employee of a Small Business Advisory Council or a SCORE volunteer is a sole proprietor, general partner, officer, director, or stockholder with a 10 percent or more interest, or a household member of such individual, of the Applicant. [13 CFR 105.302(a)] True\_\_\_\_

*(\*A “household member” of an SBA employee includes: a) the spouse of the SBA employee; b) the minor children of said individual; and c) the blood relatives of the employee, and the blood relatives of the employee’s spouse, who reside in the same place of abode as the employee. [13 CFR § 105.201(d)])*

**H. Ethical Requirements of Lenders (13 CFR 120.140)**

*Please answer the following questions. If any of the statements cannot be answered as “True,” then the loan request is not eligible.*

* 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 nor 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.)*

NOTE: When there have been revisions to SBA policy regarding SBA loans that may be submitted under delegated authority, there may be a short period of time between the issuance of the policy, regulation or statutory change (including revisions to SOP 50 10) and a change to the form.

If that is the case for this loan application:

1. write “see attached” next to the particular statement on this form where the policy has changed; and

2. attach an explanation for each notation that identifies the current specific SBA policy since the issuance of this edition of the form that now permits the submission of the loan under delegated authority. This must include the specific SOP citation, SBA notice, regulation change or change in the statute.

Do not complete the statement on the form itself if the statement indicates that the loan is not eligible to be submitted under delegated authority but the revised policy as identified by the attachment provided does.

Lender’s Certification:

I certify that I have accurately and correctly completed the Eligibility Checklist on behalf of the Lender, that the above information is true and correct, to the best of my knowledge, and that I have exercised due diligence to obtain the true and correct information. I am aware and acknowledge that any 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: \_\_\_\_\_\_\_\_\_\_\_\_

Name and Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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 10 minutes 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.**