



IMMEDIATE DISASTER ASSISTANCE PROGRAM (IDAP)

Lender's Application (Part II) – Eligibility Information

(To be completed and signed by the participating lender that is requesting an SBA guaranty for the loan application and filed in the Lender's file.)

I. Complete this section.

If the answer to any statement is "No," the loan is not eligible to be submitted under this program.

Small Business Applicant Name _____

County of Applicant's Business Location _____

State of Applicant's Business Location _____

Lender Name _____

Disaster Declaration No. _____

IDAP Borrower Application Deadline _____

IDAP Lender Application Deadline _____

(For a copy of disaster declarations go to: <http://www.sba.gov/services/disasterassistance/basics/recentdisaster/index.html>.)

Disaster Declaration states that IDAP loans are available for this disaster. YES ___ NO ___

Type of Disaster Declaration Check one:

___ Major/Presidential Declaration

___ SBA Administrative/Agency Declaration

___ SBA Economic Injury Disaster Loan (EIDL) Declaration

Applicant is located in the Declared Disaster Area. YES ___ NO ___

If "yes," check one:

___ Primary County

___ Contiguous County

Applicant submitted its IDAP loan application to Lender within the required filing period. YES ___ NO ___

Lender submitted its IDAP loan application to SBA within the required filing period. YES ___ NO ___

Applicant submitted a direct Disaster Loan application to SBA within the required filing period. YES ___ NO ___

Applicant is a business organized for profit. YES ___ NO ___

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

Applicant has sustained eligible disaster losses in the Declared Disaster as follows:

Check one below. If none checked, Applicant is not eligible.

(1) Major/Presidential Disaster Declaration

___ Applicant is located in a Primary County and has sustained damage to real or business personal property in the Declared Disaster and/or has sustained Substantial Economic Injury as a direct result of the Declared Disaster;
OR

___ Applicant is located in a Contiguous County and has sustained Substantial Economic Injury as a direct result of the Declared Disaster.

- (2) SBA Administrative/Agency Disaster Declaration
 _____ Applicant is located in a Primary County or a Contiguous County and has sustained damage to real or business personal property in the Declared Disaster and/or has sustained Substantial Economic Injury as a direct result of the Declared Disaster.
- (3) SBA Economic Injury Disaster Loan (EIDL) Disaster Declaration
 _____ Applicant is located in Primary County or a Contiguous County and has sustained Substantial Economic Injury as a direct result of the Declared Disaster.

Applicant was established before the Disaster Incident Start Date. YES ___
 NO ___

Applicant, together with affiliates and principal owners, does not have credit available elsewhere based on "Credit Elsewhere Test." YES ___ NO ___
 (Refer to SBA procedural guidance)

Size

Primary industry of Applicant _____ NAICS Code of Applicant _____

SBA size standard for Applicant business _____

Average annual receipts of Applicant (excluding affiliates) over last 3 completed fiscal years _____

No. of employees of Applicant (at the Disaster Incident Start Date) _____

(SBA size standards by NAICS industry are found at [13 CFR, part 121.201](#))

At the Disaster Incident Start Date, 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 is located 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 basis of affiliation and determine if affiliation exists. If affiliation exists, list the primary industry of Applicant and affiliates and the NAICS code. Also, state combined average annual receipts over last 3 completed fiscal years or number of employees (at the Disaster Incident Start Date) 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 question:

The SBA Franchise Registry lists the franchise/license/dealer/jobber or similar 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.

Principals of the Applicant

If the answer to any statement below is "No," the loan is not eligible to be submitted under this program.

No Associate (an officer, director, owner of more than 20 percent of the equity, or key employee) of the Applicant is under indictment, incarcerated, on any form of probation (including adjudication withheld pending probation), on parole, under charge or previously charged with, arrested for, convicted of or placed on pre-trial diversion for any criminal offense other than a minor motor vehicle violation (including offenses which have been dismissed, discharged, or not prosecuted). YES___NO___

No principal with a 50 percent or greater ownership interest in the applicant is more than 60 days delinquent in child support under the terms of any administrative order, court order, or repayment agreement. YES___NO___

At least 51% of the business' principals are either U.S. citizens or non-U.S. citizens whose status as a qualified alien has been verified by a copy of the individual's alien registration document. YES___NO___

No Associate (an officer, director, owner of more than 20 percent of the equity or key employees) of the Applicant is an undocumented (illegal) alien. YES___NO___

All owners of 20 percent or more of the Applicant (including a spouse owning 5 percent or more when combined ownership of both spouses in 20 percent or more) will guaranty the loan (except for ESOPs or eligible 401(k) Trusts). YES___ NO___

Terms of the Loan

If the answer below is "No," the loan is not eligible to be submitted under this program.

The IDAP Loan amount does not exceed \$25,000; the disbursement period does not exceed thirty (30) days; and the term of the IDAP Loan is at least ten years, but does not exceed 25 years. YES___ NO___

II. Check any item in this section that is applicable to determine if the loan application is ineligible to be submitted under this program.

Type of Business

___ Applicant is or does one of the following. **If checked, loan is not eligible.**

- primarily engaged in the business of lending or investment (except for real estate investment with property held for rental at the Disaster Incident Start Date)
- primarily engaged in subdividing real property into lots and developing it for resale on its own account
- bail bond company
- life insurance company
- 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)
- engaged in the production or distribution of any product or service that has been determined to be obscene by a court
- a non-profit or charitable concern

___ 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.
All mortgage loans funded are sold within 14 days of loan closing. 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 ___

___ The primary activity of the Applicant is agricultural (i.e. engaged in the production of food and fiber, ranching, and raising of livestock (including feedlot operators), aquaculture, and all other similar farming and agriculture related industries).
If checked, answer the following question. If "No" loan is not eligible.
Applicant is a nursery that derives less than 50 percent of annual receipts from the production and sale of ornamental plants and other nursery products; OR Applicant is a small agricultural cooperative; OR Applicant is a small producer cooperative. YES ___ NO ___

___ Any of gross annual revenue of Applicant business is derived from gambling (including the sale of "lotto" tickets).
If checked, answer the following questions. If "Yes," loan is not eligible.

The revenue from gambling activities accounts for more than 1/3 gross annual revenue of Applicant business. YES ___ NO ___

Applicant business is a racetrack, casino or otherwise has gambling as its reason for being. YES ___ NO ___

___ Applicant is a private club or business.
If checked, answer the following question. If "Yes" loan is not eligible.
Business limits the number of memberships for reasons other than capacity. YES ___ NO ___

Use of Proceeds

Answer the following regarding the use of proceeds for the IDAP Loan:

Check one below. If none are checked, Applicant is not eligible.

(1) Major/Presidential Disaster Declaration

___ Applicant is located in a Primary County and will use proceeds to restore or replace Applicant's real or business personal property to its condition before the Declared Disaster occurred and/or for working capital necessary to carry Applicant until resumption of normal operations and for expenditures necessary to alleviate the specific economic injury, but not to exceed that which Applicant could have provided had the injury not occurred; OR

___ Applicant is located in a Contiguous County and will use proceeds for working capital necessary to carry Applicant until resumption of normal operations and for expenditures necessary to alleviate the specific economic injury, but not to exceed that which Applicant could have provided had the injury not occurred.

(2) SBA Administrative/Agency Disaster Declaration

___ Applicant is located in a Primary County or a Contiguous County and will use proceeds to restore or replace Applicant's real or business personal property to its condition before the Declared Disaster occurred and/or for working capital necessary to carry Applicant until resumption of normal operations and for expenditures necessary to alleviate the specific economic injury, but not to exceed that which Applicant could have provided had the injury not occurred.

(3) SBA Economic Injury Disaster Loan (EIDL) Disaster Declaration

_____ Applicant is located in a Primary County or a Contiguous County and will use proceeds for working capital necessary to carry Applicant until resumption of normal operations and for expenditures necessary to alleviate the specific economic injury, but not to exceed that which Applicant could have provided had the injury not occurred.

- ___ For purposes other than disaster recovery. If checked, loan is not eligible.
- ___ To refinance or repay indebtedness incurred prior to the disaster (other than regularly due installments). If checked, loan is not eligible.
- ___ To make payments on loans owned by another federal agency (including SBA) or a Small Business Investment Company. If checked, loan is not eligible.
- ___ To pay, directly or indirectly, any obligations resulting from a federal, state or local tax penalty as a result of negligence or fraud, or any non-tax criminal fine, civil fine, or penalty for non-compliance with a law, regulation, or order of a federal, state, regional, or local agency or similar matter. If checked, loan is not eligible.
- ___ To pay dividends, bonuses or other disbursements to owners, partners, officers or stockholders, except for reasonable remuneration directly related to their performance of services for the business. If checked, loan is not eligible.
- ___ To make repairs on a building rented by the Applicant if the Applicant's lease does not require the Applicant to make such repairs. If checked, loan is not eligible.
- ___ To make repairs to a condominium unit owned by the Applicant. If checked, loan is not eligible.
- ___ To replace landscaping in excess of \$5,000 unless the disaster damaged landscaping fulfilled a functional need or contributed toward the generation of business. If checked, loan is not eligible.
- ___ To repair or replace property not located within the Declared Disaster Area at the time of the Declared Disaster. If checked, loan is not eligible.
- ___ To repay stockholder/Associate loans, except where the funds were injected on an interim basis as a result of the Declared Disaster and non-repayment would cause undue hardship to the stockholder/Associate. If checked, loan is not eligible.
- ___ To expand facilities or acquire fixed assets, except for replacement of disaster-damaged fixed assets. If checked, loan is not eligible.
- ___ To pay for contractor malfeasance. If checked, loan is not eligible.
- ___ To replace damaged property that consists of cash or securities. If checked, loan is not eligible.
- ___ To replace damaged property if the replacement value is extraordinarily high and not easily verified, such as the value of antiques, artworks or hobby collections. If checked, loan is not eligible.
- ___ To repair or replace damaged property where the Applicant's only interest is in the form of a security interest, mortgage or deed of trust. If checked, loan is not eligible.

Special Program Requirements

- ___ Any of questions 1 through 6 on any required SBA Form 2410, Immediate Disaster Assistance Loan Program Borrower Information Form, is answered "Yes." If checked, loan is not eligible.

___ Lender is aware that Applicant or Affiliates(s) have received compensation for disaster losses from Other Recoveries (e.g. insurance proceeds, grants or reimbursement from government agencies or private organizations, claims for civil liability, gifts, condemnation awards or salvage). If checked, answer the applicable question below. If "Yes," loan is not eligible.

- If the amount of the Applicant's disaster losses is \$25,000 or less, answer the following question. If "Yes," loan is not eligible.

The principal amount of the IDAP loan exceeds the amount of the Applicant's disaster losses minus the amount of Other Recoveries. YES___NO___

- If the amount of the Applicant's disaster losses is more than \$25,000, answer the following question. If "Yes," loan is not eligible.

The principal amount of the IDAP loan exceeds \$25,000 minus the amount of Other Recoveries. YES___NO___

___ Lender is aware that an application for an IDAP Loan to the Applicant or affiliates for the Declared Disaster was previously submitted by a lender to SBA. If checked, loan is not eligible.

___ Lender is aware that Applicant, or any Associate of the Applicant, is delinquent on any Federal obligation, including but not limited to any Federal loans, contracts, grants, student loans or taxes, or has a judgment lien for a Federal debt against its property. If checked, loan is not eligible.

___ Lender is aware that Applicant business is located in a Special Flood Hazard Area (SFHA), as designated by the Federal Emergency Management Agency, and has not maintained required flood insurance on the business property (regardless of the type of disaster). If checked, loan is not eligible.

___ Lender is aware that Applicant business is located in a SFHA within a non-participating community or a community under sanction. If checked, loan is not eligible.

___ Lender is aware that Applicant business was newly constructed or substantially improved on or after February 9, 1989, and is currently located seaward of mean high tide or entirely in or over water. If checked, loan is not eligible.

___ Lender is aware that Applicant business is located in a Coastal Barrier Resource Area (COBRA). If checked, loan is not eligible.

___ Applicant had a substantial change in ownership (more than 50 percent) after the Declared Disaster. If checked, answer the following question. If "no," loan is not eligible.

A contract of sale existed prior to the Declared Disaster. YES___ NO___

___ Applicant has relocated or is going to relocate outside the business area in which the Declared Disaster occurred. If checked, loan is not eligible.

___ Lender is aware that Applicant has paid or has committed to pay a fee to a third party to assist in the preparation of the loan application or application materials, or the Applicant or Lender has paid or has committed to pay a referral agent or broker a fee. If checked, loan is not eligible.

___ Applicant has paid or has committed to pay to Lender fees exceeding \$250.00, including but not limited to fees for processing, origination, or application (other than late payment fees or the reasonable direct costs of liquidation). If checked, loan is not eligible.

___ Lender is aware that 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___

___ Applicant business is a sole proprietorship, unincorporated association, partnership of limited liability company in which a Member of Congress (or a household member) has an ownership interest. If checked, loan is not eligible.

Conflict of Interest

SBA will not provide financial assistance under the Immediate Disaster Assistance Program 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 this program.

- No SBA employee, or the household member¹ 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_____

Ethical Requirements of Lenders (13 CFR 120.140)

- 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_____

¹ 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)]

(**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.)

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

Lender Signature: _____ Date. _____

Typed Name and Title: _____

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 U.S. Small Business Administration, Chief, AIB, 409 3rd St., SW, Washington DC 20416. **PLEASE DO NOT SEND FORMS TO THIS ADDRESS.**