

# 504 Loan Structuring

## ELIGIBLE BUSINESSES

Active Small Businesses

Net Worth/Net Profit standards:

Business Net Worth cannot exceed \$15Million

Business Net Profit cannot exceed \$5Million-average over last two years

**Note:** Manufacturers with less than 500 employees are eligible regardless.

There are no sales standards for 504 loans.

## ELIGIBLE USES

Fixed Assets Only. Land, Building, Equipment and related soft costs.

Refinance of loans used to acquire / improve fixed assets- restrictions apply.

## STRUCTURE

The 504 portion of the project may not exceed 40% of the total project cost. A down payment of at least 10% of the total project cost is required. Required down payment for start-ups and/or special purpose building is 15-20%. Down payments for repeat borrowers with an existing, special purpose debenture(s) is 20%. Down payments may be cash or equity in project-related land.

Sample 504 Structures:

	Existing	Start-up or special purpose	Start-up and special purpose**
Bank	50%	50%	50%
WBD	40%	35%	30%
Borrower*	<u>10%</u>	<u>15%</u>	<u>20%</u>
	100%	100%	100%

\*Additional borrower contribution may be required.

\*\*Also applies to borrowers with an existing, special use 504 debenture

## AMOUNTS

The maximum loan amount is \$5MM

If the borrower is a **Manufacturer** or meets an **Energy Policy Goal** the Maximum loan amount increases to \$5.5MM.

(Manufacturer is defined as NAICS Code beginning with 31, 32, or 33 with all production facilities in U.S.)

## TERM

WBD: 10-, 20- and 25-year debentures based upon the useful life of the assets acquired.

Bank: Loan must have a minimum maturity of 7 years for 10-year debentures. Bank loan must have a minimum maturity of 10 years for 20- and 25-year debentures.

## RATE

WBD: Fixed-market rate (determined at the date of bond sale).

Bank: Reasonable market rate (fixed or variable); interim "points" may be financed.

## PRE-PAYMENT

Pre-payment penalty will be assessed on the outstanding debenture balance during the first half of the debenture term.

## FEES & CHARGES

- One-time fees included in debenture amount:
  - 1.5% of WBD portion of total project to WBD
  - .65% to bond underwriters
  - 0.5% to SBA
- CDC attorney prepares the debenture loan documents. CDC legal fees ordinarily do not exceed \$2,500 and may be included in the debenture.
- The participating lender must pay 0.5% fee to SBA on the permanent first mortgage. Bank may roll fee into project via interim points.

[www.wbd.org](http://www.wbd.org)



## CHECKLIST FOR 504 DEBENTURE

**BUSINESS NAME:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**Initial Items Needed** *(Please submit the following items. Indicate NA where not applicable to your project or business).*

**Personal Information** – Required from all 20% or more owners of Applicant Small Business and Real Estate Holding Entity (if applicable):

1. Owners & Key Management\* - Required from all 20% or more owners, officer's & directors, and key management as determined by WBD
2. Photocopy of Driver's Licenses
3. Personal Financial Statement (SBA Form 413)\* or Alternative Template that provides same level of detail – Current within 45 days and signed by both spouses (if applicable)
4. Federal Personal Tax Returns for prior 3 years
5. Affiliated Entities – Federal Tax Returns for prior 2 years and a Schedule of Indebtedness. In general, if a 20% or more owner of the Applicant Small Business has a 20% or more ownership in another entity, that entity is considered an affiliate. WBD will determine potential affiliates upon receipt of the Federal Personal Tax Returns.

### **Business Information:**

1. WBD, Inc. 504 Application & Legal Fee Agreement\*
2. Project & Small Business Questionnaire\*
3. Job Information - Refinance\*
4. COVID Impact Form\*
5. Year-End Financial Statements (balance sheets & income statements) and Federal Tax Returns for prior 3 years for Applicant Small Business and Real Estate Holding Company (if applicable)
6. IRS Form 4506C or Form 8821 must be completed for the Applicant Small Business and signed by the business owner (Note the form will be sent for signature after receipt of the business tax returns)
7. Current YTD P&L and Balance Sheet (within 60 days) for the Applicant Small Business with a comparable P&L through the same time period last year
8. Current YTD P&L and Balance Sheet (within 60 days) for the Real Estate Holding Company (if applicable)
9. Schedule of Indebtedness consistent with the interim balance sheet(s) provided in #7 and #8\*
10. Aging of A/R and A/P consistent with the interim balance sheet provided in #7, with an explanation of accounts > 90 days (if applicable).
11. Two Years of P&L Projections with Detailed Assumptions (if applicable)\*
12. Franchise, Dealer, Supply, or License Agreements (if applicable)
13. Copy of any Licenses Required to Operate Business (i.e. seller's permit, liquor license, etc.)
14. Filed Articles and Operating Agreement or Bylaws for Applicant Small Business
15. Filed Articles and Operating Agreement for Real Estate Holding Entity

**Project Information:**

1. Executed Copy of Promissory Note(s) to be Refinanced, including any renewals or modifications put in place in the past 2 years
2. Executed Copy of All Lien Instruments Securing Debt to be Refinanced (recorded mortgage, security agreement, UCC filing, guarantees, etc.)
3. Loan History / Transcript of Account on Debt to be Refinanced (Covering past 12 Months)
4. Evidence that at least 85% of the original use of loan proceeds financed eligible fixed assets (i.e. disbursement request & authorization for note being refinanced, settlement statement, invoices, etc.)
5. Environmental Questionnaire w/ Records Search & Risk Assessment, TSA with SBA Reliance Letter, or Phase I with SBA Reliance Letter – Required for Refinance Projects Involving Real Estate
6. Appraisal(s) on Fixed Assets Securing Debt to be Refinanced listing WBD/SBA as additional intended users – Appraiser must include the remaining economic useful life of the real estate and/or equipment

**Items Needed Later:**

1. Life Insurance Information

\*Template Available



## OWNERS & KEY MANAGEMENT INFORMATION

REQUIRED FOR EACH OWNER WITH 20% OR MORE OWNERSHIP INTEREST AND NON-OWNER OFFICER(S)

Legal Name: \_\_\_\_\_  
First
Middle
Last
(Maiden)

Current Home Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Since: (mo/yr) \_\_\_\_\_

Social Security#: \_\_\_\_\_ Date of Birth: \_\_\_\_\_ Birth City/State: \_\_\_\_\_

E-Mail Address \_\_\_\_\_ Spouse E-Mail Address \_\_\_\_\_ Cell Phone \_\_\_\_\_ Business Phone \_\_\_\_\_

**THIS SECTION FOR OWNERS ONLY: This data is collected for reporting purposes only and to determine eligibility for special loan & technical assistance programs. Disclosure is optional and has no bearing on credit decision.**

Please check all that apply:  Minority  Handicapped  Disadvantaged  
 Veteran  Spouse of Veteran Service Branch \_\_\_\_\_ Honorable Discharge  Yes  No Date: \_\_\_\_\_

Gender:  Female  Male

Race:  American Indian or Alaska Native  Asian  Black or African American  Native Hawaiian or Pacific Islander  White

Ethnicity:  Hispanic or Latino  Not Hispanic or Latino

**WORK EXPERIENCE WITH APPLICANT SMALL BUSINESS (or attach Resume)**

Title: \_\_\_\_\_ Ownership %: \_\_\_\_\_ Ownership Held in Trust?  Yes  No

Business Phone: \_\_\_\_\_ Years with Employer: \_\_\_\_\_ Years in Industry: \_\_\_\_\_

Roles & Responsibilities:

**OTHER WORK EXPERIENCE:**

<u>Company</u>	<u>Title</u>	<u>Dates Employed</u> <u>From - To</u>	<u>Roles &amp; Responsibilities</u>	<u>Ownership %</u>

**EDUCATION**

**Institution or Training**

**Dates Attended From - To**

**Major**

**Degree or Certificate**

**Other Business Related Interest or Activities:**

<p><b>NOTE:</b> SBA uses a search system called LexisNexis to perform background checks on all borrowers and guarantors. If you have ANY past BANKRUPTCIES, CREDIT matters, CRIMINAL charges or CIVIL cases, including minor offenses, the system WILL locate them. Please disclose ALL matters. <b>Disclosure rarely disqualifies your loan, but failure to disclose will most likely disqualify your loan</b></p>	<p>YES</p>	<p>NO</p>
<p>1) Do you have an ownership interest in any other entity that has existing SBA loans? If yes, provide loan numbers and current status <i>(Use space below)</i></p>		
<p>2) Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction?</p>		
<p>3) Have you been arrested in the past six months for any criminal offense? If yes, please provide relevant documents</p>		
<p>4) For any criminal offense - other than a minor motor vehicle violation - have you ever: 1) been convicted; 2) plead guilty; 3) plead nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)? If yes, furnish the dates, locations, fines, sentences, level of charge (whether it's demeanor or felony), dates of parole/probation, unpaid fines or penalties, name(s) under which charged, and any other pertinent information</p>		
<p>5) Are you presently suspended, debarred, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal Department or agency?</p>		
<p>6) If you are at least a 50% or more owner of the applicant business, are you more than 60 days delinquent on any obligation to pay child support arising under an administrative order, court order, repayment agreement between the holder and a custodial parent, or repayment agreement between the holder and a state agency providing child support enforcement services?</p>		
<p>7) Have you or the Applicant business declared bankruptcy? If yes, please provide relevant documents</p>		
<p>8) Are you or the Applicant business currently the subject of any pending lawsuits (including divorce)? If yes, please provide relevant documents</p>		
<p>9) Has the Applicant or any affiliated company of the Applicant as well as any Associated of the Applicant received any previous government financing? If yes, please provide relevant documents</p>		
<p>10) Are you a US Citizen? If "No" Country of Citizenship: _____ Alien Registration Number: _____</p>		
<p>11) Are you, any of your children, your parents or your spouse employed by, directors of, officers of or stockholders of the participating bank or the SBA or SCORE or any Federal Agency?</p>		
<p>12) Has an application for the loan you are applying for now ever been submitted to SBA or to a Certified Development Company or Lender in connection with any SBA program?</p>		
<p>13) Are you and Applicant business current on all local, state and federal taxes?</p>		

**Criminal Penalties for False Statements:** The undersigned certifies that all information provided in this form is true and complete to the best of his or her knowledge and submission of any false statement to WBD Or SBA or submission of any record to the WBD or SBA omitting material information can result in civil money penalties and additional monetary liability up to three times the amount of damages which the Government sustains because of the false statement under the False Claims Act, 31 USC 3729.

**Identification Procedure:** Federal law requires WBD to obtain, verify, and record information that identifies each person who applies for a 504 loan to help fight the funding of terrorism and money laundering activities. We will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**Authorization to Release Information:** I/We hereby authorize any financial corporations, insurance companies, investors, credit bureaus, the U.S. Small Business Administration, employers, banks, etc., to release any and/or all information on my/our records and/or accounts to WBD, Inc. at its request. I/We also authorize any information to be released by my/our original or photocopied signature. I/We hereby certify that the enclosed information, including any attachments or exhibits provided here within or at a later date, is valid and correct to the best of my/our knowledge.

**Credit Authorization only applicable to Owners providing personal guaranty:** I authorize WBD/SBA to make consumer credit report inquiries as necessary to determine my creditworthiness.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Additional Information



## PERSONAL FINANCIAL STATEMENT

### U.S. SMALL BUSINESS ADMINISTRATION

The purpose of this form is to collect information about the Business Applicant and its owners' financial condition. SBA uses the information required by this Form 413 as one of a number of data sources in analyzing the repayment ability and creditworthiness of an applicant for an SBA loan or, with respect to a surety bond, to assist in recovery in the event that the contractor defaults on the contract. SBA also uses the information to assess whether an individual meets the economic disadvantage threshold for the Women-Owned Small Business (WOSB) Program and the 8(a) Business Development (BD) Program. Submission of this information is required as part of your application for assistance. Failure to provide the information would impact the agency's decision on your application.

To complete this form

- 1) Check all that apply.
- 2) Complete the form in its entirety (attached a separate sheet, if necessary)
- 3) Review the applicable certifications and sign (spousal signature, if required)

<input type="checkbox"/> <b>7(a) loan / 504 loan / Surety Bonds</b> Complete this form for: (1) each proprietor; (2) general partner; (3) managing member of a limited liability company (LLC); (4) each owner of 20% or more of the equity of the Applicant; and (5) any person providing a guaranty on the loan (including the assets and liabilities of the owner's spouse and any minor children).  <b>Return completed form to:</b> <b>For 7(a) loans:</b> the Lender processing the application for SBA guaranty <b>For 504 loans:</b> the Certified Development Company (CDC) processing the application for SBA guaranty <b>For Surety Bonds:</b> the Surety Company or Agent processing the application for surety bond guarantee
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<input type="checkbox"/> <b>Disaster Business Loan Application (Excluding Sole Proprietorships)</b> Complete this form for: (1) each applicant; (2) each general partner; (3) each managing member of a limited liability company (LLC); (4) each owner of 20% or more of the equity of the Applicant business; and (5) any person providing an unlimited guaranty on the loan.  <b>Return completed form to: Disaster Processing and Disbursement Center at 14925 Kingsport Road, Fort Worth, TX 76155-2243 or FAX to 1-202-481-1505 or <a href="mailto:disasterloans@sba.gov">disasterloans@sba.gov</a></b>
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<input type="checkbox"/> <b>Women Owned Small Business (WOSB) Federal Contracting Program</b> This form must be completed by each individual claiming economic disadvantage in connection with the SBA's Women-Owned Small Business (WOSB) Federal Contracting Program. A separate form must be completed by the individual's spouse, unless the individual and the spouse are legally separated. Use attachments if necessary. Each attachment must be identified as a part of this statement and signed. In addition, each individual claiming economic disadvantage must update the form as changes arise, but at least annually, to ensure the information is current, accurate and complete.  SBA's regulations state that to be considered economically disadvantaged for purposes of the WOSB Program, a woman must have an adjusted gross income averaged over the three prior fiscal years of \$350,000 or less; less than \$6 million in the fair market value of all her assets (to include her primary residence and value of the business concern); and less than \$750,000 in personal net worth (excluding equity interest in her personal residence and ownership interest in the business, and funds invested in a retirement account that are unavailable until retirement age). 13 C.F.R. §127.203. The information contained in this form must be submitted and certified through <a href="http://beta.certify.sba.gov">beta.certify.sba.gov</a>
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<input type="checkbox"/> <b>8(a) Business Development Program</b> 8(a) applicants must show that 51% of the firm is owned by one or more individuals determined by the SBA to be socially and economically disadvantaged. The information contained in this form must be submitted by each socially and economically disadvantaged individual using their one time 8(a) eligibility to qualify this firm for 8(a) certification. If married, the spouse must complete a separate SBA Form 413, except when the individual and the spouse are legally separated. If separated, provide copy of separation document.  SBA's regulations state that to be considered economically disadvantaged for purposes of the 8(a) Business Development Program, an individual must have an adjusted gross income averaged over the three prior fiscal years of \$350,000 or less; less than \$6 million in the fair market value of all assets (to include primary residence and value of the business concern); and less than \$750,000 in personal net worth (excluding equity interest in the personal residence and ownership interest in the business, and funds invested in a retirement account that are unavailable until retirement age). 13 C.F.R. §124.104.  <b>Note:</b> Please complete this form with Personal Information not Business Information and divide all jointly owned assets and liabilities, as appropriate with spouse or others. The information contained in this form must be submitted and certified through <a href="http://certify.sba.gov">certify.sba.gov</a> . For additional information go to: <a href="http://www.sba.gov/8abd">http://www.sba.gov/8abd</a>
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<b>Name</b>	<b>Business Phone</b> (xxx-xxx-xxxx)
<b>Home Address</b>	<b>Home Phone</b> (xxx-xxx-xxxx)
<b>City, State, &amp; Zip Code</b>	
<b>Business Name of Applicant/Borrower</b>	
<b>Business Address</b> (if different than home address)	
<b>Business Type:</b> ___ Corporation ___ S-Corp. ___ LLC ___ Partnership ___ Sole Proprietor (does not apply to ODA applicant)	

**This information is current as of [month/day/year]**  
*(within 90 days of submission for 7(a)/504/SBG/ODA/WOSB or within 30 days of submission for 8(a) BD)*

**WOSB applicant only, Married** \_\_\_ Yes \_\_\_ No

<b>ASSETS</b>	<b>LIABILITIES</b>
(Omit Cents)	(Omit Cents)
Cash on Hand & in banks..... _____	Accounts Payable..... _____
Savings Accounts..... _____	Notes Payable to Banks and Others..... _____
IRA or Other Retirement Account..... _____	(Describe in Section 2)
(Describe in Section 5)	Installment Account (Auto)..... _____
Accounts & Notes Receivable..... _____	Mo. Payments _____
(Describe in Section 5)	Installment Account (Other)..... _____
Life Insurance – Cash Surrender Value Only..... _____	Mo. Payments _____
(Describe in Section 8)	Loan(s) Against Life Insurance..... _____
Stocks and Bonds..... _____	Mortgages on Real Estate..... _____
(Describe in Section 3)	(Describe in Section 4)
Real Estate..... _____	Unpaid Taxes..... _____
(Describe in Section 4)	(Describe in Section 6)
Automobiles..... _____	Other Liabilities..... _____
(Describe in Section 5, and include Year/Make/Model)	(Describe in Section 7)
Other Personal Property..... _____	Total Liabilities..... _____
(Describe in Section 5)	Net Worth..... _____
Other Assets..... _____	
(Describe in Section 5)	
<b>Total</b> _____	<b>Total</b> _____
	Must equal total in assets column.

<b>Section 1. Source of Income.</b>	<b>Contingent Liabilities</b>
Salary..... _____	As Endorser or Co-Maker..... _____
Net Investment Income..... _____	Legal Claims & Judgments..... _____
Real Estate Income..... _____	Provision for Federal Income Tax..... _____
Other Income (Describe below)..... _____	Other Special Debt..... _____

**Description of Other Income in Section 1** (Alimony or child support payments should not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income)



**Section 2. Notes Payable to Banks and Others.** (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Names and Addresses of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

**Section 3. Stocks and Bonds.** (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

**Section 4. Real Estate Owned.** (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

**Section 5. Other Personal Property and Other Assets.** (Describe, and, if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and, if delinquent, describe delinquency.)

**Section 6. Unpaid Taxes.** (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

**Section 7. Other Liabilities.** (Describe in detail.)

**Section 8. Life Insurance Held.** (Give face amount and cash surrender value of policies – name of insurance company and Beneficiaries.)

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

**CERTIFICATION:** (to be completed by each person submitting the information requested on this form and the spouse of any 20% or more owner when spousal assets are included)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that SBA or its participating Lenders or Certified Development Companies or Surety Companies will rely on this information when making decisions regarding an application for a loan, surety bond, or participation in the WOSB or 8(a) BD program. I further certify that I have read the attached statements required by law and executive order.-

Signature \_\_\_\_\_

Date \_\_\_\_\_

Print Name \_\_\_\_\_

Social Security No. \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Print Name \_\_\_\_\_

Social Security No. \_\_\_\_\_

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**NOTICE TO 7(a) LOAN, 504 LOAN AND SURETY BOND APPLICANTS: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:**

Knowingly making a false statement on this form is a violation of Federal law and could result in criminal prosecution, significant civil penalties, and a denial of your loan or surety bond application. A false statement is punishable under 18 U.S.C. §§ 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. § 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally-insured institution, a false statement is punishable under 18 U.S.C. § 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000. Additionally, false statements can lead to treble damages and civil penalties under the False Claims Act, 31 U.S.C. § 3729, and other administrative remedies including suspension and debarment.

**NOTICE TO DISASTER BUSINESS LOAN APPLICANTS: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:**

Whoever wrongfully misapplies the proceeds of an SBA disaster loan shall be civilly liable to the Administrator in an amount equal to one-and-one half times the original principal amount of the loan under 15 U.S.C. § 636(b). In addition, any false statement or misrepresentation to SBA may result in criminal, civil or administrative sanctions including, but not limited to: 1) fines and imprisonment, or both, under 15 U.S.C. § 645, 18 U.S.C. § 1001, 18 U.S.C. § 1014, 18 U.S.C. § 1040, 18 U.S.C. § 3571, and any other applicable laws; 2) treble damages and civil penalties under the False Claims Act, 31 U.S.C. § 3729; 3) double damages and civil penalties under the Program Fraud Civil Remedies Act, 31 U.S.C. § 3802; and 4) suspension and/or debarment from all Federal procurement and non-procurement transactions. Statutory fines may increase if amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

**NOTICE TO APPLICANTS OR PARTICIPANTS IN THE WOSB FEDERAL CONTRACTING PROGRAM: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:**

Any person who misrepresents a business concern's status as a WOSB or EDWOSB, or makes any other false statement in order to influence the WOSB Program eligibility determination or other review process in any way (e.g., protest), shall be: (1) subject to fines and imprisonment of up to 5 years, or both, as stated in Title 18 U.S.C. § 1001; (2) subject to fines of up to \$500,000 or imprisonment of up to 10 years, or both, as stated in Title 15 U.S.C. § 645; (3) subject to civil and administrative remedies, including suspension and debarment; and (4) ineligible for participation in programs conducted under the authority of the Small Business Act.

**NOTICE TO APPLICANTS OR PARTICIPANTS IN THE 8(a) BUSINESS DEVELOPMENT PROGRAM: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:**

Any person who misrepresents a business concern's status as an 8(a) BD Program participant or SDB concern, or makes any other false statement in order to influence the 8(a) certification or other review process in any way (e.g., annual review, eligibility review), shall be: (1) subject to fines and imprisonment of up to 5 years, or both, as stated in Title 18 U.S.C. § 1001; (2) subject to fines of up to \$500,000 or imprisonment of up to 10 years, or both, as stated in Title 15 U.S.C. § 645; (3) subject to treble damages and civil penalties under the False Claims Act, 31 U.S.C. § 3729; (4) subject to administrative remedies, including suspension and debarment; and (5) ineligible for participation in programs conducted under the authority of the Small Business Act.

PLEASE NOTE: According to the Paperwork Reduction Act, you are not required to respond to this request for information unless it displays a valid OMB Control Number. The estimated average burden hours for the completion of this form is 1.5 hour per response. If you have questions or comments concerning this estimate or any other aspect of this information collection, please contact: Director, Records Management Division, Small Business Administration, 409 Third Street SW, Washington, D.C. 20416, and SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C. 20503. PLEASE DO NOT SEND COMPLETED FORMS TO OMB.

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

### **Privacy Act (5 U.S.C. 552a) and Debt Collection Improvement Act (31 U.S.C. 7701)**

*Authorities and Purpose for Collecting Information:* SBA is collecting the information on this form, including social security numbers and other personal information, to make a character and credit or other eligibility decision in connection with you or your company's application for SBA assistance. SBA may also use social security numbers for the purpose of collecting and reporting on any delinquent fees or other amounts owed SBA, where applicable.

For purposes of SBA's financial assistance programs, 31 U.S.C. 7701 requires loan applicants and guarantors, or any indemnitor of a surety bond to provide their social security numbers, or other taxpayer identification numbers. Failure to provide this information would affect your ability to obtain an SBA loan or bond. For other individuals signing this form, the submission of the social security number is voluntary and failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. However, your social security number or other taxpayer identification number helps SBA to distinguish you from other individuals with the same or similar name or other personal identifier. This use is permitted under Executive Order 9397. Personal information collected is protected to the extent permitted by law, including the Freedom Information Act, 5 U.S.C. 552, and the Privacy Act 5 U.S.C. 552. Such information is maintained pursuant to SBA's Privacy Act System of Records at <https://www.sba.gov/sites/default/files/2020-01/sba-sorns.pdf>.

**Right to Financial Privacy Act of 1978 (12 U.S.C. 3401)** -- This is notice to you as required by the Right to 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 guaranteed loan or guaranteed bond. 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 guaranty agreement or any approved bond 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 bond guarantee, or concerning an approved loan or loan guarantee or bond guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty, or to process or service the bond guarantee. No other transfer of your financial records to another Government authority will be permitted by SBA except as required or permitted by law.

### **Freedom of Information Act (5 U.S.C. 552)**

This law provides, with some exceptions, that SBA must supply information contained 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. With respect to SBA's bond guarantee program, SBA will release, among other things, statistics on the Surety Bond Guarantee (SBG) programs and other information such as the names of small businesses (and their officers, directors, stockholders or partners) and the amount of the bond guarantees. 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.



## SBA 504 LOAN APPLICATION FEE AGREEMENT

This 504 Loan Application Fee Agreement (“Agreement”) is effective as of the date below and shall terminate on the one-year anniversary of such effective date, if an application has not been submitted to the SBA within a year of the effective date. The undersigned Applicant, including any operating companies, and/or affiliate companies or guarantors named in the Authorization, and their respective successors and assigns (collectively “Applicant”), is applying for a U.S. Small Business Administration (“SBA”) 504 Loan Program loan (“SBA Loan”) with WBD, Inc. (“WBD”), a Wisconsin non-stock corporation. WBD is designated by SBA as a Certified Development Company (“CDC”) to process SBA Loan applications. The Applicant acknowledges and agrees to pay WBD all CDC fees and expenses allowable under the laws and regulations related to the SBA Loan program.

- 1. Borrower Deposit.** Applicant agrees to pay WBD a \$2,500 “Borrower Deposit” (to pay WBD for packaging and processing the SBA Loan application) at the time SBA issues Applicant an Authorization for Debenture Guarantee (“Authorization”). WBD will prepare an invoice as of the Authorization date and Borrower will remit payment to WBD within fifteen (15) days following the date of the invoice.
- 2. CDC Processing Fee.** The “Gross Debenture Proceeds” outlined in the Authorization are comprised of the “Net Debenture Proceeds” (debenture proceeds financing eligible project costs excluding administrative costs) plus eligible administrative costs as set forth in 13 CFR §120.883, including, without limitation, a “CDC Processing Fee” equal to 1.5% of the Net Debenture Proceeds. WBD will collect the CDC Processing Fee out of Gross Debenture Proceeds at Funding. The SBA Loan is funded at the time a debenture bond for the SBA Loan is sold in the secondary market (“Funding”). The CDC Processing Fee is earned by WBD on the date the SBA Loan is Funded.
- 3. Closing Fee and Reimbursable Closing Costs.** The Gross Debenture Proceeds also includes a \$2,500 “CDC Closing Fee” used to pay attorney fees and other closing costs. Applicant agrees to reimburse WBD for closing costs in excess of the \$2,500 for all out-of-pocket costs incurred to underwrite and document the SBA Loan, including, but not limited to, credit reports, tax transcripts, title insurance, and recording fees). WBD will collect out-of-pocket costs in excess of \$2,500 with payment by check or ACH at or prior to “Closing.” Closing is the date the Applicant signs all of the SBA Loan documents. WBD will issue a final settlement statement within two weeks after Funding. This settlement statement will include credits for the Borrower Deposit and any other payments received from Applicant.
- 4. Governing Law.** This Agreement shall be governed by the laws of the State of Wisconsin.
- 5. Counterparts and Electronic Signatures.** This Agreement may be executed in counterparts and delivered electronically. Electronically delivered copies of this Agreement are binding and deemed the same as originals.

Applicant (Company Name): \_\_\_\_\_

Authorized Signer: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ Print title: \_\_\_\_\_



## PROJECT AND SMALL BUSINESS APPLICANT QUESTIONNAIRE

### PROJECT QUESTIONS

Address of Project: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone #: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

- Describe the project (purchase, construction, expansion, new equipment, etc) and how it will benefit your small business (more square footage, better location, increased visibility, efficient layout, etc.)
  
- Is the project replacing space that your business is currently leasing space from a 3<sup>rd</sup> party? Yes No  
If yes, please provide a copy of lease or monthly rent, total square footage being leased and the lease maturity date.
  
- Do you or will you be leasing space to any 3<sup>rd</sup> party tenants at the project property? Yes No If yes, please provide square footage, rents, lease if available
  
- What is the proposed source of down payment for project (personal cash, business cash, gift, borrowed, TIF)?
  
- Will the project real estate or equipment be titled in a different legal entity than your small business entity?  
Yes No If yes, please provide legal name: \_\_\_\_\_

100% Ownership breakdown of said entity (or provide in alternative format):

NAME	%Ownership

\*Note – if entity has yet to be formed, please provide a proposed legal name and ownership breakdown. A legal entity will need to be in place with an assigned employer identification number (EIN#) prior to SBA submission.

## **SMALL BUSINESS APPLICANT QUESTIONS**

(Please answer questions #1-8 below, or upload answers in a different format)

Name of Small Business (legal operating entity): \_\_\_\_\_

1. What are your primary products and services?
  
2. What is your target market and who are your primary clients? Describe any client base concentration.
  
3. Do you currently export goods or services: Yes No If Yes, provide % of overall sales \_\_\_\_\_  
List Countries of Export \_\_\_\_\_
  
4. Does your business operate under any franchise, dealer, supply, or license agreements and/or does any local, state, or federal regulatory agency require you to have licenses to operate? Yes No If any are applicable, please provide copies.
  
5. Who are your primary Competitors? Please describe their strengths and weaknesses in comparison to your competitive advantage and industry niche.
  
6. What is your growth strategy? What marketing efforts have an impact on your growth?
  
7. Describe your basic cash cycle (ex: restaurants describe average ticket \$ / average table turns; Hotels describe average stay and source of reservation; manufacturing describe length of cash cycle)
  
8. If applicable, list and quantify other financing needs (inventory, working capital, refinancing, etc).



## JOBS INFORMATION SHEET Refinance Program

WBD, Inc is a proud advocate of small businesses and job growth where the primary goal of the 504 Loan Program is to encourage economic development by enabling small businesses to create or retain jobs within their communities. Please fill in the information requested below.

Employees/Jobs:

- Full Time employee is defined as 8 hours per day/40 hours per week.
- Part Time employee includes employees who work less than 8 hours/day or 40 hours/week and not included in the Full Time category.
- If you have a seasonal employees, please provide information based on the prior 12 months.

Using the definitions listed above please list the number of employees your company has **currently:**

# of Full-time employees: \_\_\_\_\_ (40 hours / week)

# of Part-time employees: \_\_\_\_\_ at an average of \_\_\_\_\_ hours / week

# of Seasonal employees employed during the past 12 months: \_\_\_\_\_

# of months employed \_\_\_\_\_ average of \_\_\_\_\_ hours / week

As a **direct result of this 504 project**, how many **new employees will be added within the next two years:**

# of Full-time employees: \_\_\_\_\_ (40 hours / week)

# of Part-time employees: \_\_\_\_\_ at an average of \_\_\_\_\_ hours / week

# of Seasonal employees employed during the past 12 months: \_\_\_\_\_

# of months employed \_\_\_\_\_ average of \_\_\_\_\_ hours / week

As a **direct result of this 504 project** how many **existing employees will be retained\*:**

# of Full-time employees: \_\_\_\_\_ (40 hours / week)

# of Part-time employees: \_\_\_\_\_ at an average of \_\_\_\_\_ hours / week

# of Seasonal employees employed during the past 12 months: \_\_\_\_\_

# of months employed \_\_\_\_\_ average of \_\_\_\_\_ hours / week

***\*Retained Employees – For Debt Refinance loans; all existing jobs may be counted as jobs retained.***

Operating Company Name: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title





## SBA 504 COVID-19 Form

Company Name:

Date:

### Operational Information

**The SBA is requesting the following information about your operating company:**

N/A

Is your business open and operational? At full capacity, reduced capacity or using a contingency plan delivery model?

N/A

How has COVID-19 impacted your business? What is your contingency plan, if any?

N/A

Is your company's historical financial information reliable based on current market conditions?

N/A

How concentrated or diversified is your customer base, and do you have customers that may be in distress as a result of COVID-19?

N/A

How concentrated or diversified is your vendor/supplier pool, and do you know if any of your vendors/suppliers are in distress?

N/A

How have travel restrictions, traffic flow, and trade restrictions impacted your business cost projections, clientele or access to equipment and inventory?

N/A

How has the change in unemployment conditions impacted your employees, clientele & service area?

N/A

Did you get a PPP loan? If so, what percentage of the loan is being used for payroll?

If yes, amount:

Term:

N/A

Did you get an EIDL loan? If so, how much is the loan?

If yes, amount:

Term:

N/A

As a result of COVID-19, does your company have any other loan(s) other than PPP and EIDL from Federal, State or Local sources that have a contingent repayment that could adversely impact cash flow?

N/A

What is your company's current cash balance?

N/A

How much availability do you have on your line of credit, if applicable?

## Debt Schedule

Name of Business: \_\_\_\_\_

Date: \_\_\_\_\_  
(Should be same date as latest financial statement or tax return)

Include all debts except accounts payable and accrued expenses. The current balance and total must agree with the latest balance sheet submitted.

Creditor	Loan Purpose	Original Amount	Origination Date	Current Balance	Rate of Interest	Maturity Date	Monthly Payment	Collateral	Payment Status*

Total: \_\_\_\_\_

Total: \_\_\_\_\_

\*Please indicate if the loan is current, delinquent, or paid-in-full. Also list on this schedule, any debt incurred after the date referenced above.