



Loan Application

SBA 504 LOAN PROGRAM



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OUR MISSION IS TO FOSTER THE ECONOMIC GROWTH OF
DIVERSE SMALL BUSINESSES

504 Loan Application Document Checklist

Business Related Documents	Description
<input type="checkbox"/> BUSINESS TAX RETURNS	Full copies of the last three tax returns for all existing businesses involved with this application.
<input type="checkbox"/> BUSINESS INTERIM FINANCIAL STATEMENTS	For all existing businesses involved with this application, dated within 120 days.
<input type="checkbox"/> PROJECTIONS	If the business is less than two years old, please provide projections on a month-by-month basis for the next two years.
<input type="checkbox"/> AFFILIATE BUSINESS TAX RETURNS AND FINANCIAL STATEMENTS	Copies of the last two tax returns plus an interim financial statement dated with 120 days for all affiliated businesses (if applicable).
<input type="checkbox"/> BUSINESS HISTORY	Information on the history of the business and key principals/managers. Please provide a business plan if your business is less than two years old.
<input type="checkbox"/> ORGANIZATIONAL DOCUMENTS	Copies for any businesses involved with this application. Includes bylaws, articles of incorporation, operating agreements, partnership agreements, etc.
<input type="checkbox"/> LEASE DOCUMENTS	Includes leases with any existing tenants in the building, or proposed tenants in the building being acquired.
<input type="checkbox"/> PREVIOUS SBA FINANCING DOCUMENTS	Including copies of loan documents, deeds of trust, notes, etc. (if applicable).

Business Related Documents (Circumstantial)	Description
<input type="checkbox"/> TO REFINANCE ELIGIBLE DEBT	Copies of existing notes plus transcripts showing payment history.
<input type="checkbox"/> IF YOUR BUSINESS IS A FRANCHISE	Copy of Franchise Disclosure Document “FDD,” and a copy of the fully executed franchise agreement.

Project Related Documents	Description
<input type="checkbox"/> COST DOCUMENTS	Copies of all project cost documents, including real estate contracts, renovation quotes, construction bids, equipment quotes, copies of notes to be refinanced, etc.
<input type="checkbox"/> APPRAISAL AND ENVIRONMENTAL REPORTS	Copies of existing environmental reports or appraisals on the property.
<input type="checkbox"/> BANK COMMITMENT LETTER	Indicates the bank/lender’s willingness to partner with B:Side Capital to provide the requested financing. This letter should certify that the desired credit is unavailable to the business applicant on reasonable terms and conditions from non-Federal sources without the assistance of the 504 loan program and why.
<input type="checkbox"/> BRIDGE FINANCING	Include copies of all existing financing already in place on the project.

504 Loan Application Document Checklist Continued

Borrower Related Documents	Description
<input type="checkbox"/> PERSONAL TAX RETURNS	Full copies of the last three personal tax returns for every individual owning 20% or more of any of the businesses involved with this application.
<input type="checkbox"/> DRIVER'S LICENSE	Copies of driver's license or other acceptable government-issued form of identification for every individual owning 20% or more of any of the businesses involved with this application.
<input type="checkbox"/> LEGAL PERMANENT RESIDENTS	Provide a legible copy of documentation (front and back) evidencing resident status.

In-Application Documents	Description	Page
<input type="checkbox"/> LOAN DISCLOSURE STATEMENT	Signature required at end.	13
<input type="checkbox"/> AGING ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE REPORT	Aging at the same date as the business interim financial statement.	15
<input type="checkbox"/> FINANCIAL PROJECT INFORMATION	Debt Schedules and Projected Profit and Loss numbers for the next two years. You may attach your own projections separately.	15
<input type="checkbox"/> PERSONAL FINANCIAL STATEMENT (SBA FORM 413)	Every individual owning 20% or more of any of the entities involved with this application must provide a personal financial statement dated within 90 days. Spouses completing a joint personal financial statement must BOTH sign the form or alternatively submit separate statements.	28
<input type="checkbox"/> APPLICATION FOR SECTION 504 LOANS (SBA FORM 1244, SECTION THREE)	An Authorized signer for the operating business (OC) and real estate holding entity (EPC, if applicable) must sign. Another individual must attest. Then, every individual owning 20% or more of the business, as well as all officers, and directors (Associates) must sign and date below.	22
<input type="checkbox"/> APPLICATION FOR SECTION 504 LOANS (SBA FORM 1244, SECTION ONE)	Completed by an owner of the Eligible Passive Company (real estate holding entity, if applicable) and owner of the Operating Company.	18
<input type="checkbox"/> APPLICATION FOR SECTION 504 LOANS (SBA FORM 1244, SECTION TWO)	Separate forms must be completed for every individual owning 20% or more of the business, as well as all officers, directors, and key employees. Please complete fully and initial or questions 1-9.	20

B:Side Capital Disclosure Statement

A summary of the Small Business Administration 504 Loan Program

The SBA 504 LOAN PROGRAM

The US Small Business Administration's (SBA) 504 loan program offers eligible small businesses a way to help finance expansion using long-term, fixed-rate financing. A 504 loan, offered in partnership with a regular loan from a participating private sector lending institution, is able to provide a business with up to 90% of a project's total financing requirements.

The SBA relies on the services of a "certified development company" like B:Side Capital to package, close, fund and service 504 loans. B:Side Capital provides small businesses with access to the 504 loan program throughout Colorado, Arizona, Utah, and New Mexico.

This Disclosure Statement highlights rules and requirements associated with the 504 loan program but is not intended to be a comprehensive listing. This document is for informational purposes only.

1. NO REPRESENTATIONS

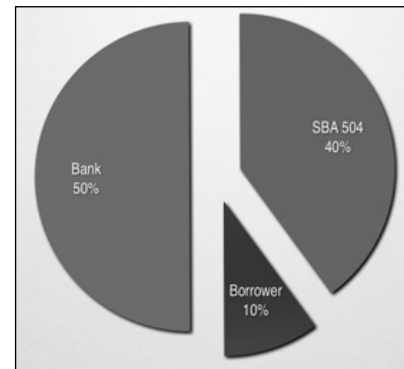
The funding of a 504 loan is subject to satisfactory compliance with the terms and conditions set forth in a loan commitment document known as the SBA's Terms and Conditions for Debenture Guarantee. By signing this Disclosure Statement, a small business applicant acknowledges that he/she has not relied upon any representation made by B:Side Capital and/or its agents, and that B:Side Capital and/or its agents have made no representations or promises to the applicant and its agents regarding a formal B:Side Capital or SBA approval of a loan or of qualifications to receive a loan through the 504 loan program.

2. HOW THE SBA 504 PROGRAM WORKS

The 504 loan program is a unique example of a private/public sector financing program. A 504 loan is a second deed of trust/second mortgage loan that sits behind a conventional private sector (but not a seller) loan. Typically, the private sector lender will finance 50% of the project cost and the 504 loan will finance up to 40% of the project cost. The borrower will have at least 10% at risk in the project and end up with two loans and two loan payments as a result of the financing structure.

If a small business has been in operation for two years or less, 15% equity is required (reducing SBA financing to 35%). If the project involves a special purpose or limited use structure (like a gas station, car wash, hotel, etc.), 15%

Typical 504 Loan Structure



equity is required, again reducing SBA financing to 35%. If both circumstances apply, 20% equity is required, reducing SBA financing to 30%.

3. TWO STAGE PROCESS

There are two distinct stages involved with securing financing under the 504 loan program. The Application stage involves the application, underwriting and submission of the request to the Small Business Administration to generate a loan approval. The Funding stage occurs once all the collateral conditions that were included in the SBA loan approval have been met. The funding of the 504 loan will only occur once a project is complete and all costs have been fully disbursed. This requires a partner private sector lender to provide a short term bridge or construction loan equivalent to the 504 share of the project while documents are prepared and submitted to the bond market in New York (the source of 504 proceeds) for the actual 504 loan funding.

4. APPLICATION PROCESS

In order to begin the application process, the following information is required:

- Completed 504 application, including execution of this Disclosure Statement
- Completed personal financial statement for any owner owning 20% or more of business
- Most recent two years of business tax returns and current year interim financial statements OR two years of projections with written assumptions if business is less than two years old

The above is not a comprehensive list of information required for a loan decision to be made. For a more

comprehensive list, please refer to the 504 Loan Application Document Checklist within the SBA 504 Application.

5. INTEREST RATES

As the partner certified development company associated with processing, approving and funding a 504 loan, B:Side Capital will facilitate the sale of a “debenture” (a bond) to provide the 504 financing share of an approved project.

Individual requests for financing under the 504 loan program are aggregated each month into a single pool with requests across the United States. This pool becomes an individual debenture which receives the full faith and backing of the U.S. Government and is then offered to institutional investors. A 504 loan pool is sold once a month on the New York market. At the time of sale, a FIXED Interest Rate will be assigned to that debenture pool and stays with the individual loans included in that pool, for the life of the loan or until that loan is paid off.

It is important to remember that the 504 interest rate cannot be set for a borrower until their loan request has been included in a specific debenture offering, which is then subsequently sold and funded. So, unlike the private sector lender loan in the senior position on a 504 project, a borrower won't actually know what their final 504 interest rate will be until the 504 debenture funds.

6. FEES AND COSTS

The 504 loan program is intended to be a taxpayer-neutral program in the sense that minimal and hopefully no taxpayer dollars are used to maintain the program. Borrowers pay fees to secure their 504 loans (in the same way that banks charge borrowers fees) and these fees ensure that the program remains largely independent of taxpayer subsidization. The majority of the fees associated with the 504 program are defined by statute as part of the federal budgeting process that occurs each year.

Generally speaking, there are two broad categories of fees associated with securing a 504 loan, and these are separate and independent of any fees a partner bank or other private sector lender might charge for their loan. There are one-time 504 loan program fees, usually built into the 504 loan, and there are fees built into the interest rate a borrower pays when a 504 loan funds.

The below fees are effective for loans submitted to SBA on or after October 1, 2023.

ONE TIME FEES ASSOCIATED WITH ORIGINATING, CLOSING & FUNDING A 504 LOAN

- **Funding Fee: 0.25%**
This fee, paid to the fiscal agent in New York who assembles the monthly 504 debenture pool, is a percentage of the 504 share of the financing and must be financed as part of the 504 debenture.
- **Guaranty Fee: 0.00%**
This fee, paid directly to the SBA, is a percentage of the 504 share of the financing and must be financed as part of the 504 debenture. Currently this fee is set at 0% but is subject to change each SBA fiscal year beginning October 1st.
- **Processing Fee: 1.50%**
This fee, paid to B:Side Capital, is a percentage of the 504 share of the financing and can either be financed as part of the 504 debenture or paid for separately by the borrower, out-of-pocket. For loans with a Gross Debenture of \$2,000,000 or more, two-thirds or 1% of the net debenture, will be collected at the time of SBA loan approval. The payment will be due within 10 business days of the Terms & Conditions issuance and will be non-refundable.
- **Closing Fee: \$2,500**
This fee is a flat fee charged to reimburse attorney and other closing costs specific to B:Side Capital and can either be financed as part of the 504 debenture or paid separately by the borrower out-of-pocket.
- **Other Fees, varying with loan size.**
Title insurance, miscellaneous recording fees, and other minor out-of-pocket fees are a function of every commercial real estate transaction. These costs can either be financed as part of the 504 debenture or paid for separately by the borrower, out-of-pocket.
- **Underwriter's Fee: 0.400% (20 or 25 year 504 loans) 0.375% (10 year 504 loans)**
This fee, paid to the underwriting firm in New York who markets and sells the monthly 504 debenture, is a percentage of the actual 504 loan (not the 504 share of the financing) and must be financed as part of the 504 debenture.
- **Balance to Borrower**
This will actually be a reimbursement to the borrower of an amount between \$1 and \$999. When a 504 loan funds, the percentage of the 504 share of the financing plus all the above fees, is the amount that will actually be financed. Whatever this adds to will be rounded

up to the next even thousand dollars because the bond market will only work with loan amounts in even thousand dollar amounts. The difference between this rounded number and the actual number will be reimbursed to the borrower by ACH soon after the debenture funds in New York.

- Bank Participation Fee: 0.50%
This fee, charged to the partner private sector lender and paid to SBA, is a percentage of that lender's share of the financing project. This fee is collected in addition to any other origination fees or points charged by that lender to the borrower. The small business will typically be responsible for paying this fee and any other origination fees a partner lender charges. Only fees associated with the interim or construction loan portion of the lender financing can be included in the total project cost calculation for determining relative financing shares under a 504 project. Bank fees associated with the permanent senior loan may not be included in the 504 project but may be charged by the lender and paid out of pocket.

504 Loan Project Example

Use of Proceeds

Purchase land & building	\$850,000
Improvements	\$100,000
Buy machinery & equipment	\$40,000
Professional Fees	\$10,000
TOTAL PROJECT COST	\$1,000,000

504 Financing Structure

Bank's Conventional Loan	50%	\$500,000
Net 504 Loan Proceeds	40%	\$400,000
Borrower's Contribution	10%	\$100,000

504 Loan Program Fees

Net 504 Loan Proceeds		\$400,000
B:Side Capital Processing Fee	1.50%	\$6,000
Fiscal Agent Funding Fee	0.25%	\$1,000
SBA Reserve Gty Amount	0.0%	\$0
Closing Fee (example)	set	\$4,550
Bond Underwriting Fee*	0.40%	\$1,653
Total		\$413,203
Gross 504 Loan (rounded up)		\$414,000
Balance Returned to Borrower		\$797

*The Underwriting fee is a percentage of the Actual 504 loan

FEES INCLUDED IN THE 504 LOAN PROGRAM EFFECTIVE INTEREST RATE

The interest rate a borrower pays under the 504 loan program is a function of the underlying cost of the debenture sold to fund that individual 504 loan ("debenture note rate") plus three additional fees that ensure the 504 program remains relatively taxpayer-neutral.

The effective 504 interest rate will vary each month in response to market pressures. The rate appearing on the front page of the B:Side Capital web site is always the most recent rate INCLUSIVE of the following three fees.

- Servicing Agent Fee: 0.100%
This fee is paid to the servicing agent in New York who collects the loan payment from the borrower and remits it, en masse, to the institutional investor who purchased a specific debenture.
- SBA Guaranty Fee
Regular/Refi with Expansion: 0.364%
Standalone Refinance: 0.389%
This fee is paid to the SBA on all 504 loans approved during the federal fiscal year. This fee may vary each year as a result of the annual budget process and is set to ensure that the 504 loan program remains relatively taxpayer neutral.
- CDC Servicing Fee: 0.625%
This fee is paid to B:Side Capital from loan payment proceeds after the SBA first withholds 0.125%. The remaining balance, 0.500%, compensates B:Side Capital for servicing actions associated with managing the loan on behalf of and in conjunction with the SBA. Statute allows a CDC servicing fee to be 0.625%, 1.000%, 1.500% or even 2.000%, but B:Side Capital only charges the statutory minimum fee of 0.625%.

7. APPLICATION FEE

B:Side Capital does NOT charge application fees or require non-refundable deposits for loans with a gross debenture of less than \$2,000,000. B:Side Capital earns a fee only if a 504 loan successfully funds.

For loans with a Gross Debenture of \$2,000,000 or more, 2/3 of the processing fee equivalent to 1% of the net debenture will be collected at the time of SBA loan approval. The payment will be due within 10 business days of the Terms and Conditions issuance and will be non-refundable.

8. PREPAYMENTS OF 504 LOANS

Just as a 504 loan can only fund once a month, so too

a borrower may only pay-off a 504 loan once a month, typically on the third Thursday of that month. This is a function of the particular bond instrument sold to finance 504 loans. Because of these timing issues, a borrower is encouraged to plan ahead and contact B:Side Capital at least 30+ days in advance of an anticipated pay-off date.

Another unique characteristic of the 504 bond is the prepayment penalty that is attached to the 504 loan for half of the term. Borrowers accessing the program get a significantly lower interest rate if the debenture that is sold to raise the funds for their loan has a prepayment penalty. As a result, borrowers who anticipate paying off a 504 loan within two years of funding may not find it an economically viable loan to consider. The premium associated with the early payment of a 504 loan is a function of two things: the debenture note rate (the underlying cost of funds associated with a 504 loan), and, the length of time since the loan was funded. The 20 and 25 year debenture options have a 10 year prepayment penalty. The 10 year debenture option has a 5 year prepayment penalty.

For purposes of illustration, the following prepayment premiums are associated with 504 loans that approved in September 2021. A unique prepayment schedule is provided to every borrower soon after their loan funds. This illustration assumes a 25 year 504 loan. Prepayment Premium based on a debenture note rate of 5.47% (effective rate of 6.82%).

Year 1	= (100% x 5.47%) x outstanding 504 loan principal
Year 2	= (90% x 5.47%) x outstanding 504 loan principal
Year 3	= (80% x 5.47%) x outstanding 504 loan principal
Year 4	= (70% x 5.47%) x outstanding 504 loan principal
Year 5	= (60% x 5.47%) x outstanding 504 loan principal
Year 6	= (50% x 5.47%) x outstanding 504 loan principal
Year 7	= (40% x 5.47%) x outstanding 504 loan principal
Year 8	= (30% x 5.47%) x outstanding 504 loan principal
Year 9	= (20% x 5.47%) x outstanding 504 loan principal
Year 10	= (10% x 5.47%) x outstanding 504 loan principal

There is no prepayment premium after year 10. Partial or additional payments may not be made under the 504 loan program (because the investors in the bond have no way of tracking or accounting for extra payments).

9. ELIGIBLE PROJECT COSTS

For the purposes of identifying and calculating the “total project cost” for a 504-eligible project, expenditures on the following are considered ELIGIBLE COSTS under the 504 loan program:

- Purchase of land and building(s);
- Building improvements and construction costs,

including FF&E costs if these items are necessary and integral to operation of the business, and a minor part of the overall project;

- Related project expenditures, e.g. appraisal, engineering, architectural and/or any environmental reporting costs;
- Construction interest and any associated interim loan fees;
- Purchase of eligible machinery and equipment with a useful life of ten or more years;
- A “limited amount” of refinancing where this is defined by the amount of the new expansion project. As a general rule, for every \$1 in new eligible costs, the 504 loan program may refinance \$1 of existing eligible costs if the financing will provide a “substantial benefit” to the borrower, the borrower has been current on all payments for at least 12 months previous AND the refinancing will provide better terms or rates.
- Refinancing of a conventional loan that has been in place and secured by a 504 eligible fixed asset for six months that would otherwise have been originally eligible for financing under the 504 loan program.

10. SPECIAL PROVISIONS FOR REFINANCING

There are two types of refinancing 504 loans programs available: one that allows a limited amount of refinancing in conjunction with a business expansion (504 Refinance + Expansion); and a program that allows for the refinancing of existing conventional loans (504 Refinance).

The SBA defines the eligible debt that can be refinanced as debt (one or more existing loans) where “substantially all” of the original proceeds of the indebtedness were used to acquire/improve/construct a building or purchase equipment (costs that would have originally been eligible under the 504 loan program) and the remaining amount of the debt was incurred for the benefit of the small business seeking the financing.

504 Refinance + Expansion

- At least 85% of the original proceeds of the debt proposed for refinance must have been used for 504 eligible costs.
- Any amount of existing indebtedness that does not exceed 100% of the cost of the expansion, may be refinanced as long as a “substantial benefit” (an improvement in cash flow of 10% or more) is evident. The expansion refinancing 504 program may be used to refinance existing 504 loans or existing SBA 7(a) loans under these guidelines, in certain circumstances.
- The debt to be refinanced must have been current for the previous 12 months.

504 Refinance

- At least 75% of the original proceeds of the debt proposed for refinance must have been used for 504 eligible costs.
- For the 504 Refinance program, any conventional loan can be refinanced as long as the loan has been in place for at least six months prior to the date of application and has been secured by the eligible fixed assets for those six months. Existing 504 loans or existing SBA 7(a) loans may be eligible for refinance as well if there is a “substantial benefit” to the borrower and all other requirements are met.
- It is possible, when refinancing a conventional loan under the 504 Refinance program for the business to secure additional funds over and above the amount of indebtedness, providing that these funds are or will be used for eligible business expenses such as salaries, rent, utilities, inventory or other obligations incurred but not paid prior to the date of application, or that will become due within eighteen months after the date of the loan application.
- The structure of the 504 Refinance program allows the private sector lender to finance any share of the existing indebtedness plus eligible business expenses as long as the new private sector loans is no less than the 504 loan, and that the 504 loan is not more than 40% of the appraised value of the fixed asset(s) being refinanced. The combination of the total private sector loan plus the 504 loan may not exceed 90% of the appraised value of the fixed asset(s) being refinanced, or 85% if cash out is for business operating expenses. Cash out for business operating expenses cannot exceed 20% of the appraised value.
- Appraisals must be dated within 12 months of the date of the application.
- A copy of the payment transcript on any debt to be refinanced is required in order to analyze whether the applicant is current on all payments due, the applicant’s history of delinquency and if the current creditor is in a position to sustain a loss.

11. MAXIMUM & MINIMUM LOAN AMOUNTS

The maximum share of a total project that can be financed under the SBA 504 loan program is limited to 40% of the total eligible project costs, up to a maximum dollar gross debenture amount (which equals the share of the project plus all associated fees built into the bond when it is sold on the market). This maximum dollar gross debenture amount is aggregate any other outstanding SBA debt and is as follows:

Regular 504 loans, 504 Refinance + Expansion loans, 504 Refinance loans	\$5,000,000
Projects involving Small Manufacturers (A business with NAICS Code of 31, 32, 33 with all production facilities located within the United States). The maximum is allowed per project for each 504 loan.	\$5,500,000
Projects resulting in a 10% or greater reduction in borrower’s energy consumption, or 15% generation from renewable energy sources. The maximum is allowed per project for each 504 loan until a total exposure of \$16,500,000 is met.	\$5,500,000

The minimum dollar gross debenture 504 amount available is \$25,000.

In situations where a business applicant chooses to contribute more than the minimum 10% required for a multi-purpose/existing business expansion project, the additional contribution may reduce the partner private sector lender share, the 504 share or both providing that the 504 share of the financing project is NEVER a larger percentage of the total project than the partner private sector lender’s share of the financing.

If the project results in a \$500,000 or less gross debenture and meets the Small Business Administration (SBA) eligibility requirements, the project may be processed under SBA 504 ALP Express, subject to approval by the B:Side Loan Review Committee and SBA. The ALP Express program is under the SBA 504 loan program with identical terms, rates and fees, and potentially provides a faster SBA review time. If approved under ALP Express, the gross debenture cannot exceed \$500,000. Any project increase would require financing through additional bank lender financing or borrower equity.

12. LOAN TERMS

504 financing is provided through the sale of a monthly 20-year or 25-year debenture. A bimonthly 10-year debenture is also available. Expansion projects only involving the purchase of machinery/equipment are financed with a debenture term that matches or exceeds the assets useful life. Real estate projects may be financed using 25-year, 20-year, or 10-year debentures.

13. LEASING EXCESS SPACE POLICY

If a project involves the acquisition of an existing building, a small business applicant(s) must occupy at least 51% of the total rentable property, which includes all interior and exterior spaces actively used in the business operations. 504 loan program proceeds may not be utilized to tenant-finish any portion of the building not being immediately occupied by that small business.

On an expansion project involving new construction, the small business applicant(s) must initially occupy 60% of the total rentable property (as defined above), intend to occupy additional space within three years, and, reasonably expect to occupy at least 80% of the total rentable property within ten years. No more than 20% of the total rentable property may be permanently leased out. As for an existing building project, 504 loan proceeds may not be utilized to tenant-finish any portion of the building not being initially occupied by the small business applicant(s).

During the life of the loan, the real estate pledged as Collateral for the Loan will not be leased to or occupied by any business that Borrower or Operating Company knows is engaged in any activity that is illegal under federal, state or local law or any activity that can reasonably be determined to support or facilitate any activity that is illegal under federal, state, or local law.

14. ECONOMIC DEVELOPMENT OBJECTIVES

The overall objective of the 504 program is to assist small businesses to create wealth for themselves and their communities. As indicators of this, B:Side Capital will consider how many “job opportunities” might reasonably be created or retained by a small business within two years of receiving 504 funds and/or whether a proposed project meets either a SBA Community Development or Public Policy objective.

As a general guideline, B:Side Capital must demonstrate that as a result of a 504 loan, it is helping a small business to create or retain at least 1 job for every \$75,000 of project debenture financing (or per \$120,000 for Small Manufacturers).

SBA Community Development objectives include: improving, diversifying or stabilizing a local economy; stimulating other business development; bringing new income into an area; or, assisting businesses in labor surplus areas. SBA Public Policy objectives include assisting businesses primarily owned by veterans, women, minorities, are exporters, or, businesses located in rural communities, labor surplus areas, or designated economic enterprise zones.

15. REAL ESTATE OWNERSHIP

An “Eligible Passive Concern” or EPC (a passive, single purpose real estate holding entity) and certain types of trusts are permitted to hold title to real estate and lease a project facility to an eligible small business Operating Company. A copy of a master lease between the EPC and the eligible small business Operating Company will be required as part of documents collected prior to the disbursement of 504 loan proceeds. In these situations, although the borrower is a passive real estate holding company, the 504 loan is being made on the demonstrated strength of the active Operating Company, which must be either a co-borrower or guarantor on the loan.

The project facility must be wholly leased to the Operating Company. The rent payments from the Operating Company to the passive real estate holding company cannot exceed the amount necessary to make the loan payments and cover the direct expenses of holding the property, such as routine maintenance, utility expenses, insurance, and property taxes.

If the building contains third party tenants other than the Operating Company, these third party tenants must sub lease their space(s) from the active Operating Company and not from the EPC.

16. “DO-IT-YOURSELF” CONSTRUCTION

Situations where the borrower is also the project contractor have generally proved to be an unsatisfactory arrangement on loans. However, “do-it-yourself” construction and / or the installation of machinery and equipment, or situations where the borrower acts as its own contractor, may be permitted as long as it is possible to justify and document the following:

- The borrower/contractor is experienced in the type of construction and has all appropriate licenses;
- The cost is the same as, or less than, what an unaffiliated contractor would charge as evidenced by two (2) independent bids on the work; and
- The borrower/contractor will not earn a profit on the construction.

17. SIZE ELIGIBILITY REQUIREMENTS

A small business applicant, together with its affiliates (an affiliation occurs when one concern controls or has the power to control the other), may not have a tangible net worth in excess of \$20 million, and, may not have an average net income after taxes in excess of \$6.5 million (two year average). Some exceptions are allowed to this general rule.

18. PERSONAL/CORPORATE GUARANTEES

Personal guarantees are required from EVERY person/entity owning 20% or more of an eligible small business applicant(s) or EPC owning any of the project real estate, machinery or equipment. A personal guarantor is required on EVERY 504 loan, even if no one owns more than 20%.

19. LIFE INSURANCE

If the on-going viability of a business is dependent on a sole proprietor or the business is a single member LLC, as a condition of approval, an acknowledged collateral assignment of key-person life insurance is required, up to the amount required based on the SBA collateral shortfall calculator.

20. 504 LOANS MAY BE ASSUMED

All 504 loans are fully assumable. Applicants will still need to be qualified and the SBA assesses a 1.0% fee on the outstanding indebtedness for all assumption actions.

21. PRIOR BANKRUPTCIES

Full disclosure of prior bankruptcies is required. B:Side Capital reserves the right to withhold approval of applications where a business or its principals have taken prior bankruptcy protection from creditors.

22. PRIOR CRIMINAL OFFENSES/ARRESTS

SBA's Form 1244 Section Two MUST be completed by all associates of the business. This is defined as proprietors, general partners, officers, directors, managing members of any LLC, owners of 20% or more equity in any applicant businesses AND any key employee hired by the applicant business to manage day-to-day operations. The determination of who is a key employee is made on a case-by-case basis.

Any business with an Associate that is incarcerated, on probation, on parole, or under indictment for a felony or any crime involving or relating to financial misconduct, or a false statement is not eligible for SBA 504 financing.

23. LEGAL PERMANENT RESIDENTS

To be eligible for an SBA 504 loan, the business must be 51% or more owned by a legal U.S. Citizen or Legal Permanent Resident (LPR). Applicants seeking 504 financing who have LPR status must provide: (a) a

legible copy of documentation (front and back) evidencing resident status, and (b) a permission letter. The status of each LPR must be verified by B:Side Capital as part of the loan application process.

24. BUSINESSES EMPLOYING UNDOCUMENTED NONCITIZENS

As a government loan program, 504 loans are not available to businesses that knowingly hire undocumented non-US citizens.

25. CHILD SUPPORT COMPLIANCE

No principal who owns at least 50% of the ownership or voting interest in a company applying for financing under the 504 program, may be delinquent more than 60 days under the terms of any (1) administrative order, (2) court order, or (3) repayment agreement that requires payment of child support. A certification of compliance will be required before any funds will be disbursed under the 504 loan program.

26. ENVIRONMENTAL REPORT

Prior to the final disbursement of funds, evidence must be provided that a project property is free and clear of environmental hazards. Either a Records Search Risk Assessment report plus an environmental questionnaire completed by the seller, a Transactional Screening Analysis (TSA), a Phase I or a Phase II report may be required. Any TSA, Phase I or Phase II reports must be accompanied by a reliance certification provided by the environmental company using a standardized SBA form. All reports should name the U.S. Small Business Administration/B:Side Capital, in addition to the bank lender.

27. APPRAISALS

An appraisal will be required on all projects involving the purchase, improvement or construction of real estate when the value of the property is greater than \$500,000. All appraisals must use at least two valuation methods. All appraisals must be ordered by the participating partner lender, performed by a state-certified appraiser and must name the U.S. Small Business Administration in addition to the bank lender.

If the value of the property is \$500,000 or less, typically a valuation from the partner lender in lieu of an appraisal is acceptable, subject to review and approval by B:Side Capital.

Any projects involving used machinery or equipment will require an appraisal, unless purchased from a licensed equipment dealer. In some cases where the majority of the project is going to used machinery and/or equipment, a formal appraisal review or 2nd equipment appraisal may be necessary.

28. FLOOD & EARTHQUAKE HAZARDS

Flood insurance must be purchased if any building or equipment acquired, installed, improved or constructed with loan proceeds is located in a special flood hazard area. Newly constructed facilities must be constructed to conform with the National Earthquake Hazards Reduction Program.

29. APPROVAL PROCESS

The approval process is a two step process. Once all documents have been submitted to B:Side Capital, the loan will be underwritten and presented to our Loan Review Committee for consideration. If approved, the loan will be submitted to the Small Business Administration (SBA) for their review and approval.

30. INTERIM OR CONSTRUCTION FINANCING

Due to the nature of 504 loans, interim or construction financing is typically required and provided by a private sector lender to cover the period of time between the approval of a financing application and the sale of a debenture in New York to fund the 504 share of the financing project.

31. TIMING OF FUNDING 504 DEBENTURES

Once all the necessary SBA loan documents have been executed, there is a minimum six week period until a SBA loan is actually funded. 504 debentures are only sold once each month (usually on the Wednesday after the second Sunday). Funds received from this sale are wire-transferred directly to the participating partner lending institution on the same day the debenture funds.

32. METHOD OF 504 LOAN PAYMENTS

Monthly loan payments on the 504 portion of a financing project must be made by an automatic electronic transfer ("ACH debit") from a bank account designated by the small business borrower. Payments are due on the first working day of each month, beginning the month immediately following the actual sale of a debenture.

33. EQUAL CREDIT OPPORTUNITY

B:Side Capital is an equal credit opportunity lender and does not discriminate on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract), handicap, because all or part of the applicant's income derives from any public assistance program, or, because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

34. IDENTIFICATION PROCEDURES

To help the government fight the funding of terrorism and money laundering activities, federal law requires B:Side

Capital to obtain, verify and record information that identifies each person who applies for a loan. This means we will ask for a name, address, date of birth and other information. We will also ask for a copy of a driver's license or other identifying document.

35. NO ADDITIONAL PROVISIONS

An applicant(s) will indemnify and hold B:Side Capital and/or its agents harmless from any and all loss or injury, including reasonable attorney fees, resulting or arising from failure by the applicant to receive such loan and/or any loss or liability to applicants or the business of the applicant. All parties agree that there are no other promises, terms or agreements (oral or written) between B:Side Capital and that program rules and fees are subject to change at any time.

36. FINANCIAL PRIVACY

B:Side Capital commits to protecting any and all personal information provided in conjunction with a loan application, and also commits to collect and disclose this information only as allowed by law. B:Side Capital is required to secure a credit bureau report on all applicants applying for assistance under B:Side Capital administered loan programs. This credit bureau report will be secured at application and prior to funding. A signature below acknowledges understanding of this requirement, and that B:Side Capital is dedicated to security procedures designed to protect all personal information. B:Side Capital maintains physical, electronic and procedural safeguards that exceed federal standards to guard personal information. B:Side Capital does not sell, trade or barter personal information to anyone.

The undersigned acknowledges that he/she understands the provisions described within this Disclosure Statement as they apply to an application for consideration under the 504 loan program accessed through B:Side Capital.

37. LOAN CLOSING

Your loan application and any other documents we request from you during the loan closing process, or have you sign before or at closing will be reviewed by B:Side Capital, its employees, representatives, and/or its closing attorneys. B:Side Capital's employees, representatives, or closing attorneys do not represent you or your interests. During the loan closing process, B:Side Capital's employees, representatives, or closing attorneys may make or request that you make changes to documents. Any changes made or requests for changes to any document by B:Side Capital, its employees, representatives, or closing attorneys, may have important legal implications and consequences and it

is recommended that you consult with your own attorney about any legal implications and consequences of any document or changes to any documents before making or signing any document during your loan application or the loan closing process.

38. CREDIT ALERT VERIFICATION REPORTING SYSTEM (CAIVRS)

If the applicant(s) defaults on the SBA-guaranteed 504 loan and SBA suffers a loss, the names of the small business, the guarantors of the SBA-guaranteed loan, and any associate(s) that control the small business will be referred for listing in the CAIVRS database, which may affect their eligibility for further financial assistance.

39. SYSTEM FOR AWARDS MANAGEMENT’S (SAM) EXCLUDED PARTIES LIST SYSTEM for Awards

B:Side Capital is required to consult the System for Awards Management’s (SAM) Excluded Parties List System for each loan applicant and all associates including but not limited to the passive real estate entity, the operating company, each 20% or greater owner of either and each key employee. If any are listed as suspended, debarred, revoked or otherwise excluded by SBA or another Federal agency, the small business will be ineligible for SBA financing.

40. USE OF LOAN BROKER OR AGENT

The use of an agent or broker for packaging, referring a loan application to B:Side or a private sector lender, or for any other purpose is not required by the SBA or B:Side Capital. Use of an agent or broker is at the discretion of the applicant.

Company: _____

Signed: _____

Name:

Date:

Effective Date 3/18/2024

Business Information

Operating Company Information

Operating Company Name
Eligible Passive Company Name(s)

How many people do you currently employ?
How many people do you anticipate employing in two years?
May B:Side Capital reference your business as a “Success Story”? <input type="checkbox"/> Yes <input type="checkbox"/> No
Do you have any previous government related financing? <input type="checkbox"/> Yes <input type="checkbox"/> No
Are you current and/or in good standing on this financing? <input type="checkbox"/> Yes <input type="checkbox"/> No
Do you export (more than 10% of gross revenues)? <input type="checkbox"/> Yes <input type="checkbox"/> No

*It is important for us to have an understanding of the economic development and community impact this loan will make on your community. Our organization tracks the above metrics to ensure we are fostering growth of a variety of small businesses and their owners. **Two years after your loan funds we will reach out to you to see if your business has created any new jobs.***

Business Debt Schedule

Lender Name	Original Amount	Original Date	Current Balance	Interest Rate	Maturity Date	Monthly Payment	Collateral Securing Debt
	\$		\$			\$	
	\$		\$			\$	
	\$		\$			\$	

Please list all current notes, lines of credit and mortgages due. Do not include trade accounts payable only fixed obligations of the business.

Current or Previous SBA or Government Debt (Federal, State, or Local)

Agency	Loan #	Original Borrower	Loan Amount	Application Date	Loan Status	Current Balance	Any Govt. Loss?
			\$			\$	
			\$			\$	
			\$			\$	

Signature: _____ Date: _____

Business Information Continued

Aging of Accounts Receivable and Accounts Payable

Aging	Accounts Receivable	Accounts Payable
Under 30 Days	\$	\$
30 to 59 days	\$	\$
60 to 89 days	\$	\$
90 to 119 days	\$	\$
120 days & more	\$	\$
Uncollectable	\$	\$
TOTALS =	\$	\$

Please provide this information if not included separately. Totals provided must match the totals on your latest balance sheet.

Projected Profit and Loss Statement (Next Two Full Years)

Year Ending		
Net Sales	\$	\$
Cost of Goods Sold	\$	\$
GROSS PROFIT =	\$	\$
Officer Compensation	\$	\$
Other Wages	\$	\$
Rent	\$	\$
Depreciation/Amortization	\$	\$
Interest Expense	\$	\$
Other General/Administrative Expenses	\$	\$
TOTAL EXPENSES =	\$	\$
Other Income	\$	\$
Other Expenses	\$	\$
Income (Loss)	\$	\$
Income Tax	\$	\$
Net Income (Loss)	\$	\$

Please provide all the this information if not included separately.

Signature: _____ Date: _____

Project Information

Project Address			
Project City	State	Zip	County
Is this address different than the current business address?		Yes <input type="checkbox"/>	No <input type="checkbox"/>

Facility Information

Current location square footage			
New facility square footage		Expectant square footage by operating company	
Are there existing tenants that will remain	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Months remaining on tenant lease
Approximate facility build date		Parcel of land size	
Facility description			

Proposed Use of Funds

\$ Amount

Purchase Land	
Purchase Land & Existing Building	
Purchase Existing Building (No Land)	
Construct a Building	
Add an Addition to an Existing Building	
Make a Renovation to an Existing Building	
Leasehold Improvements	
Purchase/Install of Equipment	
Purchase/Install of Fixtures	
Refinance Eligible Debt	
Other (interest on interim loan)	
Contingency (up to 10% construction)	
Professional Fees	
Appraisals	
Environmentals	
Zoning	
Survey Fees	
Recording/Title Fees	
(1) Other Professional Fees: Eligible Professional Costs	
(2) Other Professional Fees:	
TOTAL PROJECT COST	

Project Structure

\$ Amount

%

Equity (personal cash)		
Equity (business cash)		
Equity (real estate)		
TOTAL EQUITY =		
SBA 504 (NO MORE THAN 40%)		
Bank Loan (NO MORE THAN 50%)		
Other Financing:		
TOTAL PROJECT COST =		

Financing under the 504 loan program is provided in conjunction with a conventional loan from a private sector lender/bank. Either you or your conventional lender may complete this section on your behalf. Please feel free to contact us with any questions at 303.657.0010.

Borrower Information

Owner/Guarantor Information

Name	
Cell Phone	Email Address

Education (College or Technical Training)

Name/Location	Dates Attended	Degree

Work Experience (beginning with current employment)

Name/Location	City/State	Title	Dates Employed

Government Employment

Are you currently employed by the U.S. government?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Agency Name		
Position		

Government Debt

Do you have any previous government related financing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are you current and/or in good standing on this financing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No



Application for Section 504 Loans

Section One: Business Information

Applicant Name (Eligible Passive Company, if applicable)			
Legal Name		Business Address	
DBA or Tradename	Legal Structure	Tax ID	DUNS Number
Contact Name	Email Address	Phone Number (XXX-XXX-XXXX)	Business Web Address
Operating Company (if Applicant is an EPC)			
Legal Name		Business Address	
DBA or Tradename	Legal Structure	Tax ID	DUNS Number
Contact Name	Email Address	Phone Number (XXX-XXX-XXXX)	Business Web Address
Project Address (if different than OC Address) (Street, City, State, Zip code)		Type of Business (Summary Description)	

# of existing employees employed by business (including owners who work for this business)	# of jobs to be created in the next two years as a result of the loan	# of jobs to be retained in the next two years as a result of the loan (including owners who work for this business)
Loan Amount Requested	Purpose of the loan	
\$		

1. Does the Small Business Applicant have any Affiliates? Yes No
If "Yes," please attach a listing as a part of Exhibit 10
2. Have the Small Business Applicant or any Affiliates ever obtained or applied for a direct or guaranteed loan from SBA, or from any other Federal, State or local government loan program or been a guarantor on such a loan? If yes, provide relevant information in Exhibit 9 Yes No
3. Has an application for this Project previously been submitted to the SBA by any CDC or Lender in connection with any SBA program? Yes No
If yes, provide CDC/Lender Name and Loan Program: _____
4. Has the Applicant business ever declared bankruptcy? Yes No
If yes, explain and provide relevant documents in Exhibit 27
5. Is the Applicant business involved in any pending lawsuits? Yes No
If yes, explain and provide relevant documents in Exhibit 27
6. Is the Applicant business owned by one of the following? **401(k)** **ESOP** **Trust** **Cooperative**
If the Applicant is owned by an ESOP (Employee Stock Ownership Plan) or 401(k) plan (including a Rollover as Business Start-Up (ROBS) plan), Applicant must provide evidence to the CDC that the Applicant, ESOP, and/or the 401(k) plan are in compliance with all applicable Government Agencies (e.g., IRS, Treasury, and Department of Labor) requirements and that it will comply with all relevant operating and reporting requirements.



Application for Section 504 Loans

Section One: Business Information

Business Ownership (Attach additional pages if needed)

This section requires the Small Business Applicant to disclose 100% of its ownership as well as its Key Employees that do not have an ownership stake. A Key Employee is any person (as defined in 13 C.F.R. 120.10) hired by the business to manage day-to-day operations.

If some or all of the Applicant is owned by one or more entities: For each entity, list the organization name, organization type, tax identification number, and ownership percentage, and include any individuals who own each entity (100% ownership must be disclosed). Attach additional pages as necessary.

Please be advised that the Applicant must be owned and controlled by U.S. citizens or individuals with Lawful Permanent Resident status as verified through the United States Citizenship and Immigration Services by SBA.

Eligible Passive Company (EPC) Ownership (if applicable)

Owner/Entity Name	Title/Organization Type	SSN/TIN	Ownership %

Operating Company (OC) Ownership

Owner/Entity Name	Title/Organization Type	SSN/TIN	Ownership %



Application for Section 504 Loans

Section Two: Information Required to be Submitted by each Associate of the Applicant

Each Associate of the Applicant must separately complete and sign this Section. If the Applicant is operating under an EPC/OC structure, each of the EPC's and OC's Associates must complete and sign this section.

Name (Last, First, Middle)		Former Names and Dates Used	
U.S. Citizen?	USCIS Registration # (if Legal Permanent Resident)	If a non-US citizen or LPR, provide Country of Citizenship	
Yes <input type="checkbox"/> No <input type="checkbox"/>			
Place of Birth (City and State or Foreign Country)		SSN or IRS TIN	Date of Birth (mm/dd/yyyy)
Phone Number (Home or Cell xxx-xxx-xxxx)		Home Address (Street, City, State, Zip code)	

Answer the following Yes/No Questions and Initial to the Right of Each Answer

Initial

1. Do you have an ownership interest in any other entity that has existing SBA loans? Yes No _____
 If yes, provide loan numbers and current status: _____

2. Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Yes No _____
If yes, the Applicant is not eligible for SBA assistance

3. Have you been arrested in the last 6 months for any criminal offense? Yes No _____
 If yes, please provide relevant documents as a part of Exhibit 28

4. For any criminal offense – other than a minor vehicle violation – have you ever: Yes No _____
 1) been convicted; 2) pleaded guilty; 3) pleaded 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 misdemeanor or felony), dates of parole/probation, unpaid fines or penalties, name(s) under which charged, and any other pertinent information as part of Exhibit 28)

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? **If yes, the Applicant is not eligible for SBA assistance** Yes No _____



Application for Section 504 Loans

Section Two: Information Required to be Submitted by each Associate of the Applicant

6. If you are a 50% or more owner of the Applicant, 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? **If yes, the Applicant is not eligible for SBA assistance** Yes No _____
7. Have you ever declared bankruptcy? Yes No _____
If yes, please provide relevant documents as a part of Exhibit 27
8. Are you currently the subject of any pending lawsuits (including divorce)? Yes No _____
If yes, please provide relevant documents as a part of Exhibit 27
9. Has the Applicant or any affiliated company of the Applicant as well as any Associate of the Applicant received any previous government financing? Yes No _____
If yes, please provide relevant documents as a part of Exhibit 9

Veteran/Gender/Race/Ethnicity Information

This data is collected for program reporting purposes only. Disclosure is voluntary and has no bearing on the credit decision.

Categories	Category Codes	Response
Veteran	1=Non-Veteran; 2=Veteran; 3=Service-Disabled Veteran; 4=Spouse of Veteran; X=Not Disclosed	
Gender	M=Male; F=Female; X=Not Disclosed	
Race	1=American Indian or Alaska Native; 2=Asian; 3=Black or African American; 4=Native Hawaiian or Pacific Islander; 5=White; X=Not Disclosed	
Ethnicity	H=Hispanic or Latino; N=Not Hispanic or Latino; X=Not Disclosed	

Criminal Penalties for False Statements – The undersigned certifies that all information provided in this Section Two is true and complete to the best of his or her knowledge. The undersigned acknowledges that whoever makes any false statement or report, or willfully overvalues any land property or security for the purpose of influencing in any way the action of the SBA under the Small Business Investment Act, as amended, may be fined up to \$250,000 and/or be put in jail for up to 5 years under 18 U.S.C. § 1001; may be fined not more than \$5,000 and/or put in jail for not more than 2 years under 15 U.S.C. § 645; and if false statements are submitted to a Federally insured institution, may be punished by a fine of not more than \$1,000,000 or by imprisonment for up to 30 years, or both, pursuant to 18 U.S.C. § 1014. The undersigned further acknowledges that, in connection with a 504 loan, submission of any false statement to the CDC or SBA or submission of any record to the CDC 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 U.S.C. § 3729.

Signature: _____ Date (mm/dd/yyyy): _____

Print Name: _____

Signer's Relationship with Applicant Business: _____



Application for Section 504 Loans

Section Three: Statements Required by Law and Executive Order and Certifications
(Signed by the Applicant and Associates)

PLEASE READ, DETACH, AND RETAIN FOR YOUR RECORDS STATEMENTS REQUIRED BY LAW AND EXECUTIVE ORDER

This application, and any assistance provided pursuant to this application, is subject to the following laws, regulations, and Executive Orders:

Freedom of Information Act (5 U.S.C. § 552) - This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Privacy Act (5 U.S.C. § 552a) and Debt Collection Improvement Act (31 U.S.C. § 7701 et seq.)

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 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.

Under the provisions of 31 U.S.C. § 7701, the applicant business and any guarantor of the loan are required to provide their social security numbers, or other taxpayer identification numbers, in order to do business with SBA. Failure to provide this information would affect your ability to obtain a 504 loan. For other individuals signing this application, 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, in evaluating whether the applicant satisfies the criteria for a 504 loan under section 501 et seq. of the Small Business Investment Act, 15 U.S.C. § 695 et seq., SBA considers whether the applicant and each of its Associates possess good character. In making this determination, SBA considers the person's integrity, candor, and criminal history if any. SBA is authorized, through section 308(f) of the Small Business Investment Act, to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B) of the Small Business Act, 15 U.S.C. §636(a)(1)(B). In addition, for all forms of assistance, SBA is authorized to make all investigations necessary to ensure that a person has not engaged in acts that violate or will violate the Small Business Investment Act, see 15 U.S.C. §687b(a). In conducting the criminal background check, SBA also uses your social security number to distinguish you from other individuals with the same or similar name or other personal identifier. This use is permitted under Executive Order 9397.

Routine Uses: Some of the information collected may be checked against criminal history indices of the Federal Bureau of Investigation. When the information collected indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature, SBA may refer it to the appropriate agency, whether Federal, State, local, or foreign, charged with responsibility for or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. *See* SBA's Privacy Act System of Records, at 74 Fed. Reg. 14890 (2009) (as amended from time to time) for other published routine uses for the collected information.



Application for Section 504 Loans

Section Three: Statements Required by Law and Executive Order and Certifications
(Signed by the Applicant and Associates)

Federal Funding Accountability and Transparency Act of 2006, as amended (31 U.S.C. 6101 Note) - SBA routinely publishes information related to this loan application (e.g., name and address of borrower, amount of loan) on USAspending.gov, as required by the Federal Funding Accountability and Transparency Act of 2006, as amended.

Right to Financial Privacy Act of 1978 (12 U.S.C. § 3401 et seq.) – As required by the Right of Financial Privacy Act of 1978, SBA provides this notice of SBA's right to access financial records held by financial institutions that are or have been doing business with you or your business, including any financial institutions participating in a loan or loan guaranty. The law provides that SBA shall have a right of access to your financial records in connection with its consideration or administration of assistance to you in the form of a Government loan or loan guaranty agreement. SBA is required to provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records, after which no further certification is required for subsequent accesses. The law also provides that SBA's access rights continue for the term of any approved loan or loan guaranty agreement. No further notice to you of SBA's access rights is required during the term of any such agreement.

The law also authorizes SBA to transfer to another Government authority any financial records included in an application for a loan, or concerning an approved loan or loan guaranty, as necessary to process, service or foreclose on a loan or loan guaranty or to collect on a defaulted loan or loan guaranty. No other transfer of your financial records to another Government authority will be permitted by SBA except as required or permitted by law.

Debt Collection Act of 1982 and Debt Collection Improvement Act of 1996 (5 U.S.C. § 5514 note and 31 U.S.C. § 3701 et seq.) – These laws require SBA to aggressively collect any loan or other payments which become delinquent. SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may take one or more of the following actions:

- Report the status of your loan(s) or other debt owed to SBA to credit bureaus
- Hire a collection agency to collect your loan or other delinquent debt
- Offset your income tax refund or other amounts due to you from the Federal Government
- Suspend or debar you or your company from doing business with the Federal Government
- Refer your loan or other delinquent debt to the Department of Justice or other attorneys for litigation
- Foreclose on collateral or take other action permitted in the loan instruments
- If you default on an SBA loan and fail to fully reimburse SBA for any resulting loss, refer you to the computer database of delinquent Federal debtors maintained by the Department of Housing and Urban Development, or other Federal agency, which may disqualify you from receiving financial assistance from other Federal agencies. In addition, unless SBA is reimbursed in full for the loss, you will not be eligible for additional SBA financial assistance.

Flood Disaster Protection Act (42 U.S.C. § 4012a) – Under this Act, and its implementing regulations, SBA is prohibited from providing financial assistance in a designated floodplain unless Federal flood insurance is purchased as a condition of the loan. Failure to maintain the required level of flood insurance makes the Applicant ineligible for any future financial assistance from SBA under any program, including disaster assistance.

Executive Orders 11988 and 11990 -- Floodplain Management and Wetland Protection (42 F.R. 26951 and 42 F.R. 26961) -- SBA discourages settlement in or development of a floodplain or a wetland. This



Application for Section 504 Loans

Section Three: Statements Required by Law and Executive Order and Certifications

(Signed by the Applicant and Associates)

statement is to notify all applicants for SBA assistance that such actions are hazardous to both life and property and should be avoided. The additional cost of flood preventive construction must be considered in addition to the possible loss of all assets and investments due to a future flood.

Occupational Safety and Health Act (29 U.S.C. § 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined and required to abate the hazards in their workplaces. They may also be ordered to cease operations posing an imminent danger of death or serious injury until employees can be protected. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights Legislation – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public, on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. This includes making their goods and services available to handicapped clients or customers. All business borrowers will be required to display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. § 1691 et seq.) – The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit Applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided that the Applicant has the capacity to enter into a binding contract); because all or part of the Applicant's income derives from any public assistance program, or because the Applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

Executive Order 11738 -- Environmental Protection (38 F.R. 25161) – The Executive Order charges the SBA with administering its loan programs in a manner that will result in effective enforcement of the Clean Air Act, the Federal Water Pollution Act and other environmental protection legislation. SBA must, therefore, impose conditions on some loans. By acknowledging receipt of this form and presenting the application, the Associates of all small businesses borrowing \$100,000 or more in direct funds stipulate to the following:

- That any facility used, or to be used, by the subject firm is not cited on the EPA list of Violating Facilities.
- That subject firm will comply with all the requirements of Section 114 of the Clean Air Act (42 U.S.C. 7414) and Section 308 of the Water Act (33 U.S.C. § 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in Section 114 and Section 308 of the respective Acts, and all regulations and guidelines issued thereunder.
- That subject firm will notify SBA of the receipt of any communication from the Director of the Environmental Protection Agency indicating that a facility utilized, or to be utilized, by subject firm is under consideration to be listed on the EPA List of Violating Facilities.

Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4821 et seq.) – Borrowers using SBA funds for the construction or rehabilitation of a residential structure are prohibited from using lead-based paint (as defined in Federal regulations) on all interior surfaces, whether accessible or not, and exterior surfaces, such as stairs, decks, porches, railings, windows and doors, which are readily accessible to children under 7 years of age. A "residential structure" is any home, apartment, hotel, motel, orphanage, boarding school, dormitory, day care center, extended care facility, college or other school housing, hospital, group practice or community facility and all other residential or institutional structures where persons reside.



Application for Section 504 Loans

Section Three: Statements Required by Law and Executive Order and Certifications

(Signed by the Applicant and Associates)

Executive Order 12549 as amended by E.O. 12689, Debarment and Suspension (2 C.F.R. 180, adopted by reference in 2 C.F.R. Part 2700 (SBA Debarment Regulations)) – By submission of this loan application, you certify and acknowledge that neither you nor any Associates: (a) are presently debarred, suspended, declared ineligible from participating in, or voluntarily excluded from participation in a transaction by any Federal department or agency; (b) are formally proposed for debarment, with a final determination still pending; (c) are presently indicted or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses listed in the SBA Debarment Regulations; (d) have been convicted, or had a civil judgment rendered against you within the preceding three years for any of the offenses listed in the SBA Debarment Regulations, including 2 C.F.R. §180.800(a); or (e) have had one or more public transactions (Federal, State, or local) terminated within the preceding three years for cause or default; or (f) are delinquent on any amounts due and owing to the U.S. Government or its agencies or instrumentalities as of the date of execution of this certification.

You further certify that you have not and will not knowingly enter into any agreement in connection with the goods and/or services purchased with the proceeds of this loan with any individual or entity that has been debarred, suspended, declared ineligible from participating in, or voluntarily excluded from participation in a Transaction. All capitalized terms have the meanings set forth in 2 C.F.R. Part 180.

Acknowledgment

By my signature below, I acknowledge receipt of the Statements Required by Laws and Executive Orders, that I have read them and that I have a copy for my files. My signature represents my agreement to comply with the requirements SBA makes in connection with the approval of my loan request and to comply, whenever applicable, with the limitations and requirements contained in these Statements and to comply, whenever applicable, with the hazard insurance, lead-based paint, civil rights or other limitations and requirements in the Statements Required by Law and Executive Order.

Representations, Certifications, or Authorizations by Applicant and Its Associates

By my signature below, I represent, certify, or authorize the following:

- All SBA loan proceeds will be used only for business related purposes as specified in the loan application.
- To the extent feasible, I will purchase only American-made equipment and products.
- None of the Applicant's direct, indirect, or future revenues, or revenues of any affiliated business(es) are derived from activities that are illegal under federal, state or local law, including activities that support the end-use of marijuana products, including leasing of collateral property to a third party that derives revenue from illegal activities.
- I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended, and Small Business Investment Act, as amended.
- I agree that if the SBA approves this application, I will not for at least two years hire an employee or consult anyone who was employed by the SBA during the one-year period prior to the disbursement of the debenture.
- I certify I have not paid anyone connected with the Federal Government for help getting this financial assistance.



Application for Section 504 Loans

Section Three: Statements Required by Law and Executive Order and Certifications

(Signed by the Applicant and Associates)

- I agree to report to the SBA Office of Inspector General, 409 Third Street S.W., Washington, D.C. 20416, any Federal Government employee who offers assistance in return for any type of compensation to help get this application approved.
 - I understand that I need not pay anybody to deal with SBA.
 - I also understand that a Certified Development Company may charge the Applicant a percentage of the loan proceeds as set forth in SBA regulations as a fee for preparing and processing the loan applications.
 - I agree to pay for or reimburse the CDC or the SBA for the cost of any surveys, title or mortgage examinations, appraisals, etc., performed by non-SBA personnel provided that I have given my consent.
- I understand that regulations issued by the SBA prohibit the making of loans to relocate any operations of a small business that will cause a net reduction of one-third or more in the workforce of the Applicant company or a substantial increase in unemployment in any area of the country.

In the event that proceeds from this loan are used to relocate an EPC/OC (including any affiliate, subsidiary or other business entity under direct, indirect or common control), the undersigned certifies that such relocation will not significantly increase unemployment in the area of the original location.
- If my business exceeds the small business size standard by more than 25%, I agree to use SBA's financial assistance within a labor surplus area.
- No overlapping relationship exists between the Applicant, including its Associates, and the CDC, including its Associates, or any other lender providing financing for the project, that could create an appearance of a conflict of interest as defined in 13 C.F.R. §120.140 or violate 13 C.F.R. § 120.851. No such relationships existed within six months of this application or will be permitted to exist while assistance is outstanding.
- I authorize disclosure of all information submitted in connection with this application to the financial institution agreeing to participate with SBA's guaranteed debenture.
- I waive all claims against SBA and its consultants for any management and technical assistance that may be provided.
- In consideration for assistance from the Small Business Administration, I hereby agree that I will comply with all Federal laws and regulations to the extent that they are applicable to such assistance, including conditions set forth in this application.
- I, my spouse, or any member of my household, or anyone who owns, manages, or directs the business or their spouses or members of their households do not work for the SBA, an SBA small business advisory council, or SCORE, any Federal agency, or the participating lender. If someone does, the name and address of such person and where employed is provided on an attached page.

Certification as to Application Accuracy - Criminal Penalties for False Statements – The undersigned certifies that all information provided to the CDC, and that all information in, and submitted with this application in Section One and Section Two, including all exhibits, is true and complete to the best of his or her knowledge. The undersigned acknowledges that the application and exhibits are submitted to the CDC and to SBA so that the CDC and SBA can decide whether to approve this application. Any future submissions of information to the CDC must be accompanied by a certification as to the accuracy of that information.

The undersigned acknowledges that whoever makes any false statement or report, or willfully overvalues any land property or security for the purpose of influencing in any way the action of the SBA under the Small Business Investment Act, as amended, may be fined up to \$250,000 and/or be put in jail for up to 5 years under 18 U.S.C. §1001, may be fined not more than \$5,000 and/or put in jail for not more than 2 years under 15 U.S.C. § 645, and if false statements are submitted to a Federally insured institution, may be punished by a fine of not more than \$1,000,000 or by imprisonment for up to 30 years, or both, pursuant to 18 U.S.C. § 1014. The



Application for Section 504 Loans

Section Three: Statements Required by Law and Executive Order and Certifications

(Signed by the Applicant and Associates)

undersigned further acknowledges that, in connection with a 504 loan, submission of any false statement to the CDC or SBA or submission of any record to the CDC 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 U.S.C. § 3729.

The Applicant's authorized representative must sign below. If the project involves an EPC/OC structure, an authorized representative for each co-borrower must sign. Attach additional signature pages if needed.

Legal Name of Applicant Business: _____ EPC or OC: _____

DBA/Trade Name (if applicable): _____

Authorized Signature: _____ Date (mm/dd/yyyy): _____

Print Name of Authorized Representative: _____ Title: _____

Attested By: _____ (seal, if required)

Legal Name of Business: _____ EPC or OC: _____

DBA/Trade Name (if applicable): _____

Authorized Signature: _____ Date (mm/dd/yyyy): _____

Print Name of Authorized Representative: _____ Title: _____

Attested By: _____ (seal, if required)

Each Associate of the Applicant must sign below. Each individual should only sign once. Attach additional signature pages if needed.

Signature: _____ Date (mm/dd/yyyy): _____

Print Name: _____

Signature: _____ Date (mm/dd/yyyy): _____

Print Name: _____

Signature: _____ Date (mm/dd/yyyy): _____

Print Name: _____

Signature: _____ Date (mm/dd/yyyy): _____

Print Name: _____

Signature: _____ Date (mm/dd/yyyy): _____

Print Name: _____



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"/> 7(a) loan / 504 loan / Surety Bonds 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). Return completed form to: For 7(a) loans: the Lender processing the application for SBA guaranty For 504 loans: the Certified Development Company (CDC) processing the application for SBA guaranty For Surety Bonds: the Surety Company or Agent processing the application for surety bond guarantee
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<input type="checkbox"/> Disaster Business Loan Application (Excluding Sole Proprietorships) 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. 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 disasterloans@sba.gov
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<input type="checkbox"/> Women Owned Small Business (WOSB) Federal Contracting Program 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 beta.certify.sba.gov

<input type="checkbox"/> 8(a) Business Development Program 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. Note: 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 certify.sba.gov . For additional information go to: http://www.sba.gov/8abd

Name	Business Phone (xxx-xxx-xxxx)
Home Address	Home Phone (xxx-xxx-xxxx)
City, State, & Zip Code	
Business Name of Applicant/Borrower	
Business Address (if different than home address)	
Business Type: ___ 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

ASSETS	LIABILITIES
(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	(Describe in Section 7)
Year/Make/Model)	Total Liabilities..... _____
Other Personal Property..... _____	Net Worth..... _____
(Describe in Section 5)	
Other Assets..... _____	
(Describe in Section 5)	
Total _____	Total _____
	Must equal total in assets column.

Section 1. Source of Income.	Contingent Liabilities
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. _____

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.