



SBA 504 Loan Lender Checklist

- A. We will need the following information regarding the operating company:
1. Three years of Business Federal Tax Returns (complete, with all schedules and attachments)
 2. Year to Date Financial Information, no more than 90 days old (Income/Expense, Balance Sheet, A/P and A/R aging reports)
 3. Copies of Buy/Sell Agreement and Purchase Agreements for Real Estate and Equipment
 4. A Completed **Debt Schedule** for the operating company
- B. We will need the following information from every individual who owns 20% or more of the operating company and/or real estate holding company (if one exists):
1. Most recent Federal Personal Tax return
 2. Completed **Personal Financial Statement** on the SBA form (Must be signed by spouse)
 3. Completed **Personal History Statement**
- C. Bank Credit memo (which should include the following items, otherwise please attach separately):
1. History and Background: History and background of borrowing companies, owner and management background, brief overview of business and industry outlook and where Project Company fits within this perspective.
 2. Summary of request: What is being purchased? What is the physical location of the project? What will be the economic benefit to the borrowing company? Include table of sources and uses of cash. How many jobs (if any) will this project create?
 3. Entity Financial analysis:
 - Spreads showing historical cash flow including debt coverage for past three years
 - Spreads showing projected cash flow including debt coverage for first two years after SBA loan closing. (Be sure to show assumptions used if projected income and expense figures differ from current ones)
 - Balance sheet spreads for past three years
 - Narrative analysis of the company's historical performance and ability to perform in the future

Lakeshore 504

- If applicable: A/R and A/P summary spreads along with narrative analysis

4. Individual Analysis

- Credit scores of individual owners along with narrative explanations of any derogatory items or scores.
- Global analysis (either through spreads or narrative or both) of the impact of owner w/d of cash from business. (i.e. justify owner's ability to w/d litter or no cash from business, or demonstrate how projected w/d of cash will not harm business.)

5. Collateral Analysis: Brief analysis of collateral including type of property/assets, age, description, re-marketability of assets, LTV, discussion of potential problems with appraisal, environmental.

6. Overall strengths and weaknesses of deal.

D. Additional Items needed from bank:

1. A commitment letter from the bank stating the terms and conditions of the bank's loan to the borrowers. Must be on bank letterhead, signed by bank official, and dated.
2. Memo from the bank to Lakeshore 504 indicating why the bank needs the SBA 504 program to do this project. Only needs to be a few sentences, should be on bank letterhead, dated, signed by bank official.

E. Let us know if any of the following circumstances apply, as they will trigger some additional paperwork and processing:

1. If any 20% or more owner has EVER been arrested for ANYTHING
2. If any 20% or more owner is not a U.S. citizen
3. If any 20% or more owner has EVER had a personal or business bankruptcy
4. If any 20% or more owner is going through a divorce
5. If any 20% or more owner has ownership interest in additional business(es)

Business Debt Schedule

Creditor Name/Address	Original Amount	Original Date	Present Balance	Int. Rate	Maturity Date	Monthly Payment	Security	Current or Delinquent
Total Present Balance					Total Monthly Pymt			
					Total Annual Pymt			

Signature: _____

Date: _____