



SBA Loan Requirements

SBA Loan Application Paperwork

1. Asset Purchase Agreement signed by Buyer & Seller
2. Management resumes for each applicant owning 20% or more of business signed and dated. One is provided in the SBA application
3. Personal tax returns for Three Years signed and dated for each applicant owning 20% or more of the business
4. Personal financial statement, signed and dated, for each applicant owning 20% or more. One is provided in the SBA application
5. Corporate tax returns of seller's business for Three Years signed and dated.
6. A Business plan including products and services, location, demographics, # of employees, customer base.
7. A Green Card if applicable front and back.
8. The Name address and phone # of banker, accountant and attorney.
9. A check for \$1,000 or more, refundable if loan is declined.
10. Interim financial statement for sellers business up to the last quarter of the current year.
11. Aging of receivables and payables if applicable.
12. Last 3 years of tax returns for any other business that the borrowers currently own.
13. Personal bank statements for the last two months showing cash to buy the business.
14. Seller to fill out and sign 4506 IRS tax form (requesting 3 years of originals tax returns from the IRS.
15. Buyers gift letter if the down payment is coming from a relative.
16. Life Insurance on Buyer as required by SBA

Document Checklist for an SBA Loan.

Corporate Information of borrower and any corporate guarantor, if applicable.

1. Articles of Incorporation, with any amendments
2. Certificate of good standing from Florida Department of state
3. Corporate By-Laws
4. List of all corporate officers and their titles
5. Copies of all issued stock certificates and next blank certificate (front & back)
6. Corporate seal-(bring to closing)
7. Filed fictitious name certificate from Department of State if applicable
8. Federal Tax Identification number

Other Requirements

1. UCC-1 filed with the secretary of state – form is provided by lender's counsel
2. Copies of vehicle title/registration
3. Attorney opinion letter from borrowers counsel in a form acceptable to lender
4. (Form is provided by lender counsel)
5. Copy of promissory note evidencing borrower's/guarantor's/principal's existing obligation to borrowing entity or other third party (this obligation is subordinated to lender's loan)
6. Lease (Fully executed covering the term of the loan)
7. Collateral assignment of lease with landlord's consent & waiver of lien rights

8. (Form is provided by lender's counsel)
9. Copies of all applicable business licenses/permits required for borrower's business. In the alternative, an application for same validated by the county/city is acceptable.
10. Detailed list or invoices for all machinery, equipment, furniture, fixtures and or inventory which will secure this loan. The list or invoices should include item, model# description and serial #
11. Evidence of cash injection into the business by the individual principals of the borrower. This should be in the form of cancelled checks with appropriate invoices or receipts marked "paid" All such evidence must reflect that the injected funds originated from the personal accounts of the borrower to show proof of the cash injection into the business provide copies of the following
From your individual/personal bank account:
 1. Copy of canceled check issued by you to your business, or
 2. Copy of bank statements reflecting the debit of this check.
12. Credit card receipts are not accepted for cash injection and vendor invoices.
13. Another way of showing proof of cash injection can be used when paying bills or making purchases on behalf of the business. If this is the case, the injection must also be documented by providing the following:
 1. Copy of your personal cancelled check issued to the vendor/franchisor/landlord.
 2. Copy of the invoice (franchise agreement/lease agreement) reflecting what was paid for or purchased.
 3. Copy of the receipt indicating invoice was paid.
14. To facilitate and track your cash injection/reimbursement, you also will have to prepare a schedule itemizing each vendor/invoice/check.
 1. Estoppel letter from existing lender evidencing the exact amount of the loan to be paid off by borrowers at or prior to closing (if applicable)
 2. Collateral assignment of lease and lien subordination, if applicable.
 3. (Form is provided by lender's counsel)
 4. Copy of finalized itemized invoice for borrower's attorney fees
 5. (Required at closing for attachment to the SBA compensation agreement)
 6. Certificate of occupancy or other evidence from county that subject improvements have been completed in accordance with all applicable code & county requirements.

Insurance Required:

1. Life insurance on the life/lives, each in the amount of the loan to be collaterally assigned to the lender. (Lender or lenders agent must be in possession of the original policy prior to closing)
2. Collateral assignment of Life insurance policy(s). You will have to contact your agent to obtain an assignment of benefits/proceeds form for the policy-this form must be completed and filed with home office of your insurance company in favor of the lender.
3. **Life insurance Instructions:**
 4. A complete copy of the life insurance policies on the life/lives of the borrower(s) at least in the amount of the loan, as defined in the conditional commitment letter and SBA authorization and the loan agreement must be received by the lender, prior to closing. Decreasing term insurance is acceptable. Borrower may use existing life insurance to meet this requirement.
 5. Note: Life insurance policies used as collateral for this loan may not be group policies or government policies. In addition, lender cannot be named as beneficiary on the policies.
 6. You will have to contact your agent or insurance company and obtain an assignment of life insurance policy as collateral form for the policies which is approved by your insurance company. Please execute the form, have your signature notarized, if required, and return to your agent who will forward the document to the home office of your insurance company.
 7. This form must be filed or recorded with home office of your insurance company. The endorsement should list the lenders legal address.
 8. (Personal Property) Evidence of hazard insurance coverage on all collateral in the full replacement cost/maximum insurable property located at your address.
Lender is to be named as mortgagee insured in first position.

9. (Personal Property) Evidence of flood insurance coverage, if applicable, in the full replacement cost/maximum insurable value on real property located at buyers address.

10. Prior to closing, Lender requires evidence of hazard and liability insurance on collateral property for the full value on all pledged assets. Fire and extended coverage insurance must contain a mortgagee clause for lender similar in character to the "New York standard mortgage clause". General liability insurance in an amount satisfactory to lender (minimum amount of \$1,000,00) is also required.

11. Endorsement: To the lender

12. "Loss payee" on contents coverage, "mortgagee/loss payee" on building coverage and "additional insured" on general liability.

13. The binder /certificate of insurance should contain the following information

1. The name and the address of the insured.

2. The name and mailing address of the certificate holder (Lender)

3. Location(s) of the operation(s) of the insured

4. Description of property or equipment insured

5. Description of coverage, including:

1. Name of insurer,

2. Policy numbers,

3. Policy limits,

4. Deductibles,

5. Expiration date of policy and, any special conditions or extensions of coverage in affect. i.e., property certificates – loss payee, and mortgage endorsements, all risk or special form coverage liability certificates – additional insured endorsement, occurrence form coverage.

1. Should include written notice to the lender 30 days prior to cancellation or material change in policy wording.

2. All hazard insurance policies must contain the following clause". The interest of the lender and the SBA shall not be invalidated by any act or neglect of the mortgagor or owner of the insured property"

3. Authorized signature of the borrower's insurance agent or carrier and date

4. (General Liability) Evidence of liability insurance for the borrower in the minimum amount of \$1,000,000. Lender is to be named as loss payee/additional insured.

5. (Worker Compensation) Evidence of Worker's Compensation insurance for the borrower as required by applicable Florida Statutes.

14. Please note: The following Lender's loss payable endorsements is required on all insurance policies.

15. A closing cannot be scheduled until all items in this checklist have been received and deemed to be satisfactory by the lender.

16. Note that this checklist is an overview of the information required by the commitment letter and does not constitute a final list of items which may be required by the lender prior to closing. All questions regarding the above documents/information should be addressed to lender's counsel to ensure a smooth and efficient closing

17. Required information for Landlord:

18. Legal Name:

19. Contact:

20. Address:

21. Legal description

22. Parcel ID

23. Lot #

24. Block #

25. Section

26. A legal description from deed or tax assessor must be attached.