



# **Standard 7(a) Guaranty Application Submission Instructions**

**Loan packages should be sent to the following:**

**Fax to: either 606-435-2400 (Hazard) or 916-735-1554 (Citrus Heights)**

**Mail or FedEx to: 262 Black Gold Blvd. Hazard, Kentucky 41701 or 6501 Sylvan Rd. Ste 122, Citrus Heights, California 95610**

**Email to: [7aloanprogram@sba.gov](mailto:7aloanprogram@sba.gov) if attachments are under 5 megabytes OR**

**Attaching documents at 'Submit 7a Loan Documents Here' link on our webpage:**

**<http://www.sba.gov/aboutsba/sbaprograms/elending/lgpc/index.html>**

**If you have any questions call your local field office or at 916-735-1986 or email us at**

**[7aquestions@sba.gov](mailto:7aquestions@sba.gov)**

1. Please complete the 7(a) Eligibility Questionnaire, which can also be found on the LGPC's website at [http://www.sba.gov/idc/groups/public/documents/sba\\_program\\_office/bank\\_eligibility\\_questionnaire.pdf](http://www.sba.gov/idc/groups/public/documents/sba_program_office/bank_eligibility_questionnaire.pdf)  
If you believe the applicant may be ineligible, please contact the Center for guidance before requesting your applicant to complete the Form 4 Application.
2. Please use the 7(a) Guaranty Application Submission Checklist that follows on page three below to guide you when preparing the required documents. Please submit a copy with loan application package.
3. Where business assets are not sufficient to adequately collateralize the loan, please refer to page 176 of SBA's SOP 50 10 (5)(A), Subpart B, Chapter 4, Paragraph II "Collateral."
4. Please be sure all sections of the application are completed. Lender contact person(s) name(s) with fax numbers and email addresses are especially appreciated.
5. We suggest submitting the following forms to the appropriate Agencies as early in the application process as possible to avoid any unnecessary delays in the application process: IRS Form 4506-T, Form 912 Statement of Personal History, and Form G-845.
6. SBA expects Lenders to maintain a complete file, including copies of all required SBA forms.
7. The authorization identifies when the guaranty fee is due and payable. Extension of the disbursement period does not extend the guaranty fee due date.
8. **Dealer Floor Plan** applications please indicate the following:
  - SBA Form 4: under Inventory Purchase on page 1 that it is **floor plan inventory**
  - SBA Form 4-I: in Conditions of Lender box- whether the floor plan is for New or Used , what the advance rate\* will be and what source of valuation is: Manufacturer's Invoice, Kelly Blue Book Wholesale, NADA etc.
  - SBA Form 4 Schedule A, page 2: If this sheet is not sufficient to delineate the inventory collateral – indicate 'see attached' on the form and attach copies of lender's normal floor plan inventory sheets.
  - Advance Rate (AR): Formula **(SBA allowable AR x .75) / AR used by lender = Allowable Guaranty %** Example: (80% x .75) / 100% = 60%
9. Submit all requests for changes in the terms and conditions of a loan or for an administrative change (such as name, address, etc.) within seven (7) days of approval to the LGPC. The LGPC forwards files to the appropriate Commercial Loan Service Center seven (7) days after approval and booking, unless it is being held for appraisal or environmental review. Any change requests submitted after 7 days **must** be submitted to the appropriate Commercial Loan Service Center.

## 7(a) Guaranty Application Submission Checklist

Version: July 1, 2009	YES	NO	N/A
<b>7(a) Eligibility Questionnaire - should be submitted with loan application package</b>			
<b>SBA Form 4 Application for Loan</b> completed in its entirety, and signed and dated.			
<b>FORM 4 EXHIBITS:</b>			
<b>1. SBA Form 912 Statement of Personal History</b> From proprietor (if proprietorship), by each partner (if partnership), or by each officer, director, and holder of 20 percent or more of the voting stock (if corporation or limited liability entity).			
<b>2. SBA Form 4 Schedule A Schedule of Collateral</b> List all collateral with original cost of \$5,000 or more. For <u>Real Estate</u> include address, year purchased, original cost, market value, amount of liens, name of lien holder(s). For <u>Personal Property</u> include brief description, manufacturers name, model, serial number, year purchased, original cost, market value, amount of liens and name of lien holder(s).			
<b>3. Personal Financial Statement</b> Copies of current financial statements (dated within 90 days of submission to SBA) of all owners (20% or more), officers and proposed guarantors, signed and date required, including spouses. Bank form or SBA Form 413			
<b>4. Business Financial Statements</b>			
<b>a. Year End Balance Sheet for the last three years.</b> Copies should be signed and dated by the applicant or it's partner or authorized officer, or properly certified if prepared by an outside accountant.			
<b>b. Year End P&amp;L for the last three years.</b> Copies should be signed and dated by the applicant or it's partner or authorized officer, or properly certified if prepared by an outside accountant.			
<b>c. Reconciliation of Net Worth</b>			
<b>d. Interim Balance Sheet dated within 90 days of application.</b> Copies should be signed and dated by the applicant or it's partner or authorized officer, or properly certified if prepared by an outside accountant.			
<b>e. Interim P&amp;L dated within 90 days of application.</b> Copies should be signed and dated by the applicant or it's partner or authorized officer, or properly certified if prepared by an outside accountant.			
<b>f. Subsidiaries &amp; Affiliates</b> Balance sheet, P&L, Reconciliation of Net Worth same as above.			
<b>g. Cash Flow Projection</b> Month by month for one year if less than three full fiscal years provided and for all loans with a term of 18 months or less.			
<b>5. History of Business</b>			
<b>6. Resume of Principals</b> —Provide a brief description of the educational, technical and business background of all those listed under management on the Application.			
<b>7. MISCELLANEOUS</b>			
<b>a. Copy of Lease</b>			
<b>b. Detailed Listing of Machinery &amp; Equipment to be Purchased &amp; Cost Quotes</b>			
<b>c. Real Estate Purchase</b> Copy of appraisal, lender's environmental questionnaire, cost breakdown, copy of purchase agreement.			
<b>d. Purchase of Existing Business:</b> Copy of the buy-sell agreement, pro-forma balance sheet for the business being purchased as of the date of transfer, and of the Business Valuation/Appraisal. Copy of the seller's financial statements for no less than the last 3 complete fiscal years, plus interim statements which are no older than 90 days from the receipt of application. If seller's financial statements are unavailable, lender explains why and how lender determined the reasonableness of the purchase price and verified business revenue.			
<b>e. New Business</b> Explanation of type and source of applicant investment.			
<b>f. Franchise</b> Copy of Franchise Agreement and Federal Trade Commission Disclosure Report of Franchisor, or if the franchisor is listed on the franchise registry, a certification of change/no change, as appropriate.			
<b>OTHER FORMS</b>			
<b>IRS Form 4506-T Request for Copy of Tax Return</b> Include date of submission to IRS <b>Date:</b> _____			
<b>INS Form G-845 Document Verification Request</b> Lender submits to INS to verify alien status. Include copy of INS response.			
<b>SBA Form 4-I Lender's Application</b> Completed in its entirety, a signed dated copy including pro-forma balance sheet.			
<b>Form 4-I Exhibits:</b>			
<b>1. Explanation of Use of Proceeds and Benefits of the Loan</b> Sources and uses of financing.			
<b>2. Bank's Internal Credit Memo</b>			
<b>3. Additional Justification for New Businesses, including Changes of Ownership:</b> With new businesses, including change-of-ownership, where management has not demonstrated historical repayment ability of the requested loan, the lender must provide a narrative addressing the business plan and cite any areas of concern and justification to overcome them.			
<b>4. Risk Management Data Base Form. Lender to retain form in file.</b> <a href="http://www.sba.gov/aboutsba/sbaprograms/elending/ngpc/forms">http://www.sba.gov/aboutsba/sbaprograms/elending/ngpc/forms</a>			
<b>SBA AUTHORIZATION</b> Latest version of the Wizard may be downloaded from <a href="http://www.sba.gov/aboutsba/sbaprograms/elending/index.html">http://www.sba.gov/aboutsba/sbaprograms/elending/index.html</a> (required for PLP & CLP lenders)			