



504 Loan Application

OPERATING ENTITY/BUSINESS INFORMATION ("OC"):

Name: _____ Tax ID # _____

Trade Name: _____ NAICS Code: _____

Mailing Address: _____ City: _____ State: _____ Zip: _____

County: _____ Contact Name: _____

Business Type

- ☐ Sole Proprietor
- ☐ Partnership
- ☐ LLC
- ☐ S Corp
- ☐ C Corp
- ☐ Trust
- ☐ Other

Will address change after funding? __Yes __No

May Dakota Business Lending display a sign stated they participated in the lending of the project? __Yes __No

Phone# _____ Fax# _____ Cell# _____ Email: _____

Website: _____ Nature of business: _____

Does this business export more than 10% of gross revenues? __Yes __No

Business Franchise Name (if applicable) _____

If a Franchise is listed on the SBA Franchise Registry, the Franchisor must sign a Certificate of No Change Form. If not listed, please submit a copy of the Franchise Agreement.

Ownership structure –you must provide the Operating Company ownership structure and affiliate relationships on **page two** of this application. Please follow the 504 Application Checklist for other documentation required to be submitted.

Employment Question: Please note: If a SBA Public Policy Objective is not met, 1 job must be created or retained for every SBA \$90,000 borrowed.

How many full-time equivalent employees are presently employed? _____

(ex. Four (4) employees working 10 hours per week each would make up 1 full-time employee)

If financing is not obtained, how many jobs may be lost? _____

Please provide explanation of retained job numbers:

How many full-time employees do you estimate to have 2 years after the proposed project is complete? _____

Operating Company Ownership

Please note: You must account for 100% of the Ownership. Each Officer, partner, & owner with 20% or more ownership must guaranty the debt, submit SBA Form 1244, page 7 (personal history), SBA form 413 (personal financial stmt), 2 yrs Fed. Tax returns and Affiliate Business information. (Please print add'l copies if more space is needed.)

Name	Owner's Title	% of Ownership

***If any Principal(s) of this 504 Loan request maintain 50% or more ownership, controls the affiliate, or the affiliate is a closely related entity, then the Affiliate Businesses must also submit 2 years fiscal year end statements or tax returns and current financial statements (<120 days).**

REAL ESTATE HOLDING ENTITY INFORMATION (if applicable):

Please complete the information below **ONLY** if you have/will be creating a **PASSIVE** real estate holding or some other sort of entity (other than the active business) that will hold title to the real estate you are purchasing, improving or constructing.

Name: _____ Tax ID # _____

Year Established: _____ Mailing Address: _____

City: _____ State: _____ Zip: _____ County: _____

Will this address change after funding? ☐ Yes ☐ No

Ownership structure- you must provide the Real Estate Holding Entity ownership structure and affiliate business information on page two. Please follow the 504 Application checklist for other documentation required to be submitted.

Business Type

- ☐ Sole Proprietor
- ☐ Partnership
- ☐ LLC
- ☐ S Corp
- ☐ C Corp
- ☐ Trust
- ☐ Other

Real Estate Company Holding

Please complete the information below **ONLY** if you have/will be creating a **PASSIVE** real estate holding or some other sort of entity (other than the active business) that will hold title to the real estate you are purchasing, improving or constructing.

Please note: You must account for 100% of the Ownership. Each Officer, partner, & owner with 20% or more ownership must guaranty the debt, submit SBA Form 1244, page 7 (personal history), SBA form 413 (personal financial stmt), 2 yrs Fed. Tax returns and Affiliate Business information. (Please print add'l copies if more space is needed.)

Name	Owner's Title	% of Ownership

*If any Principal(s) of this 504 Loan request maintain 50% or more ownership, controls the affiliate, or the affiliate is a closely related entity, then the Affiliate Businesses must also submit 2 years fiscal year end statements or tax returns and current financial statements (<120 days).

CURRENT AND PREVIOUS SBA AND OTHER GOVERNMENT DEBTS

Complete the chart for the following: 1) SBA loan applications Pending for the applicant or any of its affiliates; 2) Federal debt, including SBA, received by the applicant including loans that have been paid in full or charged off; 3) Federal debt (including student loans and disaster loans) borrowed by any principal of the applicant; 4) Federal debt borrowed by any other business currently or previously owned by any principal of the applicant. If there has been a loss to the government as a result of a charge off, compromise, or discharge due to bankruptcy for any of the listed debt, it must be identified below. LOSS is the outstanding principal balance of the loan that the government agency had to write off after all collection activities (including compromises) were finalized.

Name of Agency Agency Loan #	Borrower's Name	Original Amount	Date	Loan Status	Outstanding Balance	Amount of Loss
#		\$			\$	
#		\$			\$	
#		\$			\$	
#		\$			\$	

HISTORY AND DESCRIPTION OF THE BUSINESS

Operating Company Name:

☐

Check here if information on this page is provided within the attached business plan. If so, this page can be left blank.

When and by whom was the company established? Describe the current ownership and control of the business?

What type of business is this. What are the primary products and services of the business?

Where is the geographic market served by the business?

☐

International

☐

National

☐

State

☐

Local

Explain:

List key customers:

List major competitors:

Provide a detailed narrative history of the business (including business history, management history and approach, business model, competitive advantages, industry niche, growth strategy, and the effect of the SBA 504 loan will have on business growth).

*Please attach separate pages if more space is needed to complete narrative.

Please attach or email (to loan officer) any website, news article, or other noteworthy company highlights/achievements.

PROJECT INFORMATION

Please complete the project information below for this loan application. Although some costs may change prior to funding, please complete this area to the best of your ability, including itemization or estimated itemization of professional fees. Thank you!

Proposed Uses of Funds:

\$

Purchase Land: _____
Purchase Land & Existing Building: _____

Construction/Remodeling: _____
Purchase / Install NEW Equipment: _____
Purchase / Install USED Equipment: _____
***Professional Fees (related to closing):** _____
Interest & fees on the interim/construction loan: _____
Contingency (up to 10% of construction): _____
Debt to be refinanced: _____
Other expenses: _____

TOTAL PROJECT COSTS = _____

*Itemization of Professional Fees:

\$

Engineering Costs: _____

Architecture costs/expenditures: _____
Appraisal: _____
Environmental Report(s): _____
Impact / permit fees: _____
Utility hook-up fees: _____
Title Insurance / recording fees: _____
Other: _____
Other: _____

Bank Officer: _____

Phone # _____

Fax # _____

Email: _____

Sources of Funds & Equity Injection:

\$

%

Equity Injection – Business Cash: _____
Equity Injection – Personal Cash: _____
Equity Injection – Seller carry note: _____
Equity Injection other: _____
SBA 504 Loan: _____
Bank: _____
Other: _____

*Seller Carry Note cannot be repaid faster than SBA note-may require stand-by & be subordinate to 504 debt.

*i.e. equity in project land or R/E owned <2 years

TOTAL PROJECT COSTS= _____

100%

PLEASE ATTACH ALL SUPPORTING DOCUMENTATION SUCH AS PURCHASE AGREEMENTS, CONSTRUCTION BIDS, VENDOR QUOTES, ETC.
THE SUPPORTING DOCUMENTATION MUST MATCH THE TOTAL PROJECT COSTS.

Please provide us with some further financing details: (please use a blank sheet of paper if more space is needed.)

Is there currently any financing being provided for this project? _____ Yes _____ No

If yes, please disclose terms of any pre-project financing (including lender, amt financed & maturity) and specify whether it will be taken out with the 504 funds or refinanced by the 3rd party lender:

Is this project transaction associated with a business acquisition? _____ Yes _____ No

If yes, please provide details concerning the entire acquisition, including non-profit financing sources & terms:

Desired Loan term for SBA 504 loan (in years): _____ 10 _____ 20 _____ 25

Please provide us with some general information about this project:

Project Address: _____ City _____ State _____ Zip _____ County _____

Type of Property: _____

How large is this facility (square feet)? _____

How much space in the facility will your business occupy? _____ %

How would you describe this facility's condition? _____

Are any of the project assets currently owned by the borrower? _____ Yes _____ No

If Yes, provide the purchase date & amount: _____

If there is equipment involved, whom was it purchased from? _____ Manufacturer/Dealer _____ Private Party The Equipment is: _____ New _____ Used

Est. remaining useful life of the equipment: _____

SBA Required Questions

Must answer ALL questions below:

1. Is the Operating Company(ies) or Real Estate Holding Company presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in a transaction by any Federal department or agency, or presently involved in any bankruptcy? If yes, explain and provide relevant documents.
☐ Yes ☐ No
2. Is the Operating Company(ies) or Real Estate Holding Company currently delinquent or have ever defaulted on a direct or guaranteed loan from SBA, or another Federal agency loan program (including, but not limited not limited to USDA, B&I, FSA, FHA, EDA), or been a guarantor on such a loan?
☐ Yes ☐ No
3. Is the Operating Company(ies) or Real Estate Holding Company an owner of any other business? If yes, list all such businesses (including their TINs), percentage of ownership, and describe the relationship on the "Affiliated Business" table above.
☐ Yes ☐ No
4. Is the Operating Company(ies) or Real Estate Holding Company under indictment for a felony or any crime involving or relating to financial misconduct or a false statement?
☐ Yes ☐ No
5. Have the Operating Company(ies) or Real Estate Holding Company paid or committed to pay a fee to the Lender/CDC or a third party to assist in the preparation of the loan application or application materials, or paid or committed to pay a referral agent or broker a fee?
☐ Yes ☐ No
6. Are any of the Operating Company(ies) revenues generated derived from gambling, loan packaging, lending activities, lobbying activities, or from the sale of products or services, or the presentation of any depiction, displays or live performances, of a prurient sexual nature?
☐ Yes ☐ No
7. Is any employee, owner, partner, attorney, agent, owner of stock, officer, director, creditor or debtor of the Operating Company(ies) or Real Estate Holding Company a former SBA employee who has been separated from SBA for less than one year prior to the request for financial assistance?
☐ Yes ☐ No
8. Is the Operating Company(ies) or Real Estate Holding Company or any business owned either them, presently involved in any legal action or pending lawsuits?
☐ Yes ☐ No

If you answered "yes" to any of the above, please provide a written explanation on a separate attachment.

Authorization to Release Information

For Operating Entity, Real Estate Holding Company, & Affiliates

I, as the Undersigned, hereby authorize Dakota Business Lending and/or the U.S. Small Business Administration, its successors or assigns, to pull credit reports, and any other confidential reports, required in the evaluation of the attached loan application and the servicing of the loan, if approved, throughout the full term of the loan. I authorize Dakota Business Lending or the U.S. Small Business Administration, its successors and assigns, to release necessary loan information to other entities, as required for processing the loan application or servicing the loan, as well as to request and receive any private information of the Undersigned from other entities, including but not limited to, insurance companies, lenders, and accountants/bookkeepers.

☐ The undersigned hereby certifies that the information provided in the attached loan application and any related attachments are true and correct. The undersigned understands that the false statements may result in the denial of the loan request

☐ The undersigned understands the following fees relate to all SBA 504 loan applications are to be paid by the borrower once incurred whether the debenture is approved/funded or does not move forward for any reason:

Fees - While there are fees for the 504 loan, it is important to note that due to the below-market, fixed interest rate on the 504 portion of your project, the compounded interest rate savings over the life of the loan will more than cover the cost of the fees and generally save on interest expense over the term because of utilizing the 504 program.

- **Financed fees:**

Processing/closing fee = \$2500

SBA underwriting, funding, processing fees = approx. 2.15% of 504 loan

***Borrower is responsible for paying 1% fees if loan is approved, but does not close*

Fee due at closing:

TPL Fee = 0.5% of Primary Lender loan

- **Hard costs** — for processing the loan include credit reports, flood certification, search & recording costs, environmental assessments, title insurance costs, appraisal and may vary according to financial structure, industry and other factors. Borrower is responsible for these costs and they can be financed with the 504 loan.
- **Prepayments** - there is a prepayment premium for the first 5 years of a 10 year loan or 10 years for a 20/25 year loan for the 504 program. This is a small percentage that reduces every year during the premium period.

☐ I have applied for financial support from Dakota Business Lending through the SBA guaranteed loan program. I understand that a report will be acquired prior to approval of the SBA loan to determine eligibility for SBA financing. This report is the Credit Alert Verification Reporting System (CAIVRS) to determine if any of the individuals or businesses have outstanding Delinquent Federal Debt or Prior Loss caused to the federal government. I also understand that if the small business defaults on the SBA-guaranteed loan and SBA suffers a loss, the names of the small business and the guarantors of the SBA-guaranteed loan will be referred for listing in the CAIVRS database, which may affect their eligibility for further financial assistance.

Authorized Signature for Operating Company, Real Estate Holding Company(ies), & Affiliates

Date