

## SBA 504 DEBT REFINANCE ELIGIBILITY CHECK LIST

**YES   NO**

| <b>LOAN BEING REFINANCED</b>  |  |
|---|--|
|   | Loan was incurred at least two years prior to date application will be submitted to SBA  |
|   | Loan has been current for past 12 months with no payment over 30 days past due   |
|   | Transcript of payment history for 12 months is available, including any modification agreements  |
|   | At least 85% of original use of proceeds being refinanced was used for 504 eligible purposes   |
|   | Copy of note being refinanced and corresponding collateral documents   |
|   |  |
| <b>REFINANCE SAME INSTITUTION DEBT (Additional Requirements)</b>        |  |
|   | Evidence to support at least 85% of original use of proceeds being refinanced was used for 504 eligible purposes   |
|   | Lender will not sell its loan on the Secondary Market as part of a pool of guaranteed loans  |
|   |  |
| <b>REFINANCE DEBT FROM ANOTHER INSTITUTION(Additional Requirements)</b> |  |
|   | Borrower must sign Certification of Missing Documents – <b>IF</b> evidence to support at least 85% of original use of proceeds being refinanced was used for 504 eligible purposes is not available  |
|   | Lender must sign SBA Form 228TR Interim Lender Certification for Temporary Refinancing Program   |
|   |  |
| <b>JOB RETENTION GOAL</b>   |  |
|   | Borrower employs at least one FTE (based on 40 hour work week) for every \$65,000 of 504 loan amount (example: \$650,000 debenture would require at least 10 employees) and/or will meet an SBA Public Policy Goal (WBD Loan Officer can provide assistance) |
|   |  |
| <b>PROPOSED LOAN AMOUNTS</b>  |  |
|   | Third Party Lender Loan and SBA 504 loan amounts <u>combined</u> do not exceed 90% of the appraised value of the fixed assets securing the loan.   |
|   | Third Party Lender Loan amount is at least the same or greater than the SBA Loan amount  |
|   | SBA 504 Loan amount is no greater than 40% of the appraised value  |
|   |  |
| <b>BORROWER CONTRIBUTION</b>  |  |
|   | Borrower contribution is at least 10% of appraised value   |
|   |  |
| <b>LIEN POSITIONS</b>   |  |
|   | Lien positions on Eligible Fixed Assets securing loan <u>must</u> be a first for Lender and second for SBA (Other assets offered as collateral may have existing priority liens)   |
|   |  |
| <b>APPRAISAL</b>  |  |
|   | Appraisal must be dated within six months of application and have proper certifications.   |
|   |  |
| <b>RESTRICTIONS</b>   |  |
|   | Loan being refinanced does not have an existing federal loan guaranty  |
|   | Loan being refinanced is not part of an existing 504 project   |
|   | Borrower occupies 51% or more of Project property at time of application   |
|   |  |
| <b>BUSINESS EXPENSES (“CASH OUT”)</b>                                   |  |
|   | Borrower will certify funds will be used for business purposes and will provide evidence in support of certification (copies of invoices, payoff statements, etc.)   |