

LOWDOC ELIGIBILITY CHECKLIST

Applicant Name: _____ **Date** _____

This form guides the lender in determining an applicant's eligibility. Do not submit it with the application. Retain it in the applicant's file. Any item marked "No" indicates the loan is probably not eligible. Contact your LowDoc Processing Center (LDPC) if eligibility is questionable. Please refer to the attached Guidance, the LowDoc Program Guide, and SOP 50-10 for more information on eligibility requirements.

The products and/or services of the applicant business are available to the general public. Yes No

The business or any of its Associates have not been involved in a federal loan or federally assisted financing that defaulted and caused a loss to the Federal government. Yes No

Lender has reviewed the Franchise documents and Franchisor does not exercise control to the extent that it restricts Franchisee's right to operate its business independently. Yes No

Terms of the Loan

The total gross amount of SBA loans, except disaster loans, to this applicant and its affiliates, including this request, does not exceed \$150,000. Yes No

Eligible Passive Company (EPC) Check box if applicable. *If box is checked, provide the following information:*

Name of Operating Company (OC) _____

Nature of OC's Business _____

Legal Form of OC Entity _____

- EPC will use loan proceeds to acquire or lease and/or improve or renovate real or personal property (including eligible refinancing) that it leases 100% to an OC. Yes No
- OC is eligible and proposed use of proceeds would be eligible if OC were obtaining the financing directly. Yes No
- EPC (except eligible trusts) and OC are each small under SBA size standards. Yes No
- The total amount of all loans, except disaster loans, to the EPC, the OC, and the affiliates, if any, of both does not exceed \$150,000. Yes No
- Neither the EPC nor the OC is a trust or SBA requirements regarding trusts are met. Yes No
- There is only one OC or multiple OCs have identical ownership, related products and/or services. Yes No
- OC will be guarantor or co-borrower. Each 20% or more owner of EPC and OC will guaranty loan. Yes No

Use of Proceeds

Funding or Refinancing a Change of Ownership:

- The change will promote sound development or preserve the existence of the business. Yes No
- Is the change 100% of ownership, a repurchase of 100% of the interest of one or more owners by the business, or a purchase of 100% of the interest of one or more owners by another current owner? Yes No
- The transaction is arms-length and is supported by an independent third party valuation. Yes No
- The Buy/Sell Agreement has been reviewed and terms are satisfactory. Yes No

Debt Refinancing Check box if applicable:

- The cash flow needed to repay the portion of the loan for refinancing debt is at least 20% less than is currently needed to service this debt. Yes No
- Loan proceeds to refinance debt owed to the participating lender be 25% or less of the total LowDoc loan. Yes No
- All debt being refinanced is business debt or personal debt on behalf of the business. Yes No
- The loan will not refund debt owed to an SBIC. Yes No
- Proceeds will not pay a creditor in a position to sustain a loss causing a shift to SBA of part or all of that potential loss. Yes No
- The participating lender's loan has never been more than 29 days past due. Yes No
- The loan will not provide or refinance funds for payments, distributions, or loans to Associates of applicant except payment of ordinary compensation for services rendered. Yes No

The loan will not provide floor plan or other revolving line of credit. Yes No

The loan will finance a purpose which will benefit the small business. Yes No

Conflict of Interest

Lender or any Associate of Lender has not accepted funding from a source which restricts, prioritizes, or conditions the types of small businesses that Lender may assist under an SBA program or imposes any conditions or requirements upon recipients of SBA assistance inconsistent with SBA's loan programs or regulations. Yes No

Applicant, an Associate of Applicant, or close relative of Associate of Applicant is not required to invest in Lender. Yes No

Proceeds will not be used to acquire space in project for which Lender has issued a real estate forward commitment. Yes No

Lender has not previously submitted this application to SBA under any of its loan programs, including PLP, CLP, Fa\$Trak, and regular 7(a). Yes No