

Company Name: _____ **Date:** _____

The Checklist below matches the list provided with the Borrower's Application. The items with an asterisk (*) may have already been provided to you. If so, please copy and forward to Premier Capital.

Business Information

- _____ Premier Capital SBA 504 Application
- _____ **Business Tax Returns for the last 3 years***
- _____ **Business Interim Financial Statements (current within 120 days)***
- _____ **Agings of Accounts Receivable and Accounts Payable (relates to Interim Financials)***
- _____ **Articles of incorporation/Organization, Partnership Agreement or Trust Agreement***
- _____ **If available - By-Laws or Operating Agreement***
- _____ **Business Debt Schedule and Government Debt History*** Attachment # 1
- _____ IRS Form 4506-T (please sign but DO NOT DATE – we will fill out the rest of the form)..... Attachment # 2
- _____ Part C Statement Required by Law and Executive Order..... Attachment # 3

Start Ups:

- _____ **Projections (two years required for start-ups or businesses involved in a major expansion)***
- _____ **Month-By-Month Cash Flow Projection (for first 12 months)***

Personal Information

(for each individual with 20% or greater ownership)

- _____ **Personal Financial Statement (current within 90 days)***
- _____ **Personal Federal Income Tax Returns (for the last 2 years)***
- _____ **Credit Bureau dated within 90 days***
- _____ SBA 912 Personal History Statement (please duplicate as needed)..... Attachment # 4
- _____ Personal Profile..... Attachment # 5
- _____ Copy of Government issued Photo ID - Examples: State issued I.D., Passport, etc.

Project Cost Information

- _____ **Purchase Agreement (executed), contractor costs, estimates, vendor quotes for machinery and equipment***
- _____ **Appraisal - ordered by bank***
- _____ **Environmental - ordered by bank***

Other Information

- _____ **Affiliate Financial Statements (Federal Income Tax Returns for the last 2 years)***
- _____ **Franchise Information - Franchise Agreement & FTC Disclosure Statement & Certificate of Change or No Change***
- _____ **Copy of bank's credit approval - provided by bank***
- _____ Other _____
- _____ Lender letter stating reason for utilizing the 504 program - template can be emailed

Deposit Information

- _____ Application Deposit payable to Premier Capital Corporation Inc. - \$1,000.00

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Appraisal

All 504 real estate projects will require an appraisal. In most cases your bank will order the appraisal. To meet SBA standards, the appraiser must be state-licensed or state certified and the appraisal comply with USPAP using one of the following:

- Self-contained appraisal report
 - Summary appraisal report
- ▶ The appraisal must also be prepared on an "As-Is" market value or "As Complete" if construction or renovation is included in the project. At completion, the appraisal must be re-certified indicating compliance to the plan, specs and materials as presented in the original appraisal.
- ▶ **IMPORTANT** - The appraisal **MUST** be addressed to your bank and Premier Capital:

Premier Capital Corporation
151 N. Delaware St. Suite 750
Indianapolis, IN 46204

Environmental

All 504 real estate projects will require one of three types of environmental reports depending on the project and location. To determine the appropriate environmental, follow the flow chart on the opposite page.

If a Phase I or Phase II is required, the company completing the environmental must also provide the following:

**IMPORTANT -
REQUIRED FOR ALL
PHASE I & II'S**

- **Reliance Letter signed by the environmental firm..... template available**

Premier can email the template to your bank or directly to the environmental firm

- **Errors & Omission Insurance**

The environmental firm must provide evidence of their Errors & Omission Liability insurance policy with minimum coverage of \$1 million per claim (or occurrence)

Survey

No change in footprint or foundation - if the project is the purchase of an existing building and there is no change to the footprint or foundation, the survey provided to the title company as a part of the purchase transaction is all that will be required.

Change in footprint or foundation - if the project involves the construction of a new building or renovations changing the footprint or foundation, an updated survey must be completed once the foundation has been poured. This update is required by the title company to remove any exceptions for boundary or easement encroachments and must be certified to the bank, the title company, Premier Capital Corporation and the US Small Business Administration.

Advance & Structure

The bank must provide permanent financing for at least 50% of the 504 project with a minimum commitment of at least half of the 504 term. The amount of equity required by the borrower will depend on the following:

For a 10% equity injection the project must meet the following:

- **The project qualifies as an expansion of an existing business (filed at least two full year tax returns)**
- **And - there is no change of ownership**
- **And - the building is classified as multipurpose**

An additional 5% is required if any one of the above is not met, and additional 10% if any two or all three are not met.

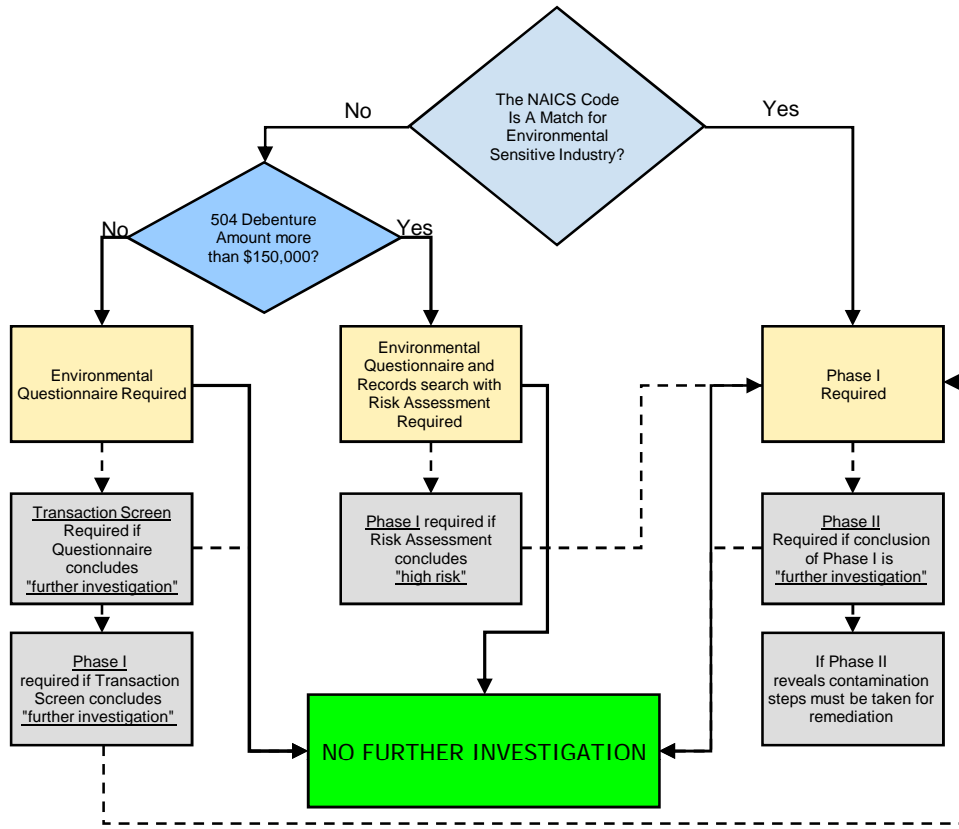
Once the equity injection is determined, the loans can be structured. If there is no construction or renovation, we recommend the bank structure two loans:

- **The permanent loan for your portion of the project - typically 50%**
- **An interim loan equal to the amount of the 504 portion of the project - typically 30% - 40%**
Your interim loan will be retired when the 504 loan is funded - usually 45 days from closing

If construction or renovations are part of the project the bank will first provide the construction financing

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Steps For SBA Environmental Investigation



NAICS Codes For Environmentally Sensitive Industries

A PHASE I SHOULD ALWAYS BE OBTAINED IF THE BUSINESS SELLS, SUPPLIES OR DISPENSES FUEL, GAS, HEATING OIL OR LIQUEFIED PETROLEUM (LP) GAS, EVEN IF THE NAICS CODE FOR THE BUSINESS IS NOT IDENTIFIED ON THIS LIST OF ENVIRONMENTALLY SENSITIVE INDUSTRIES ***

A COMPLETE LIST OF INDUSTRIES AND CORRESPONDING NAICS CODES IS AVAILABLE ONLINE AT <http://www.census.gov/epcd/naics02/naicod02.txt>

211 OIL & GAS EXTRACTION
 212 MINING (EXCEPT OIL & GAS)
 213 SUPPORT ACTIVITIES FOR MINING
 237 HEAVY & CIVIL ENGINEERING CONSTRUCTION
 311 FOOD MANUFACTURING
 312 BEVERAGE & TOBACCO PRODUCT MANUFACTURING
 313 TEXTILE MILLS
 314 TEXTILE PRODUCT MILLS
 315 APPAREL MANUFACTURING
 316 LEATHER & ALLIED PRODUCT MANUFACTURING
 321 WOOD PRODUCT MANUFACTURING
 322 PAPER MANUFACTURING
 323 PRINTING & RELATED SUPPORT ACTIVITIES
 324 PETROLEUM & COAL PRODUCTS MANUFACTURING
 325 CHEMICAL MANUFACTURING
 326 PLASTICS & RUBBER PRODUCTS MANUFACTURING
 327 NONMETALLIC MINERAL PRODUCTS MANUFACTURING
 331 PRIMARY METAL MANUFACTURING
 332 FABRICATED METAL PRODUCT MANUFACTURING
 333 MACHINERY MANUFACTURING
 334 COMPUTER & ELECTRONIC PRODUCT MANUFACTURING
 335 ELECTRICAL EQUIPMENT, APPLIANCE & COMPONENT MAN.
 336 TRANSPORTATION EQUIPMENT MANUFACTURING
 337 FURNITURE & RELATED MAN. (if finishing occurs on site)
 339 MISCELLANEOUS MANUFACTURING
 42311 AUTO & OTHER VEHICLES (if service bays present)
 42314 MOTOR VEHICLE PARTS (USED) WHOLESALERS
 4235 METAL & MINERAL MERCHANT WHOLESALER

42393 RECYCLABLE MATERIAL MERCHANT WHOLESALER
 4246 CHEMICAL & ALLIED PRODUCTS MERCHANT WHOLESALERS
 4247 PETROLEUM & PETROLEUM PRODUCTS WHOLESALERS
 441 MOTOR VEHICLE AND PARTS DEALERS (if service bays present)
 447 GASOLINE STATIONS
 45431 FUEL DEALERS
 481 AIR TRANSPORTATION
 482 RAIL TRANSPORTATION
 486 PIPELINE TRANSPORTATION
 53212 TRUCK, UTILITY TRAILER, AND RV RENTAL & LEASING
 53241 CONSTRUCTION, TRANSPORTATION, MINING & FORESTRY MACHINERY & EQUIPMENT RENTAL & LEASING
 53249 COMMERCIAL & INDUSTRIAL MACHINERY & EQUIP. RENTAL & LEASING
 54138 TESTING LABORATORIES
 56171 EXTERMINATING & PEST CONTROL
 562 WASTE MANAGEMENT & REMEDIATION SERVICES
 62149 OTHER OUTPATIENT CARE CENTERS
 6215 MEDICAL & DIAGNOSTIC CENTERS
 6221 GENERAL MEDICAL & SURGICAL HOSPITALS
 71391 GOLF COURSES & COUNTRY CLUBS
 71392 SKIING FACILITIES
 71393 MARINAS
 7212 RV PARKS & RECREATIONAL CAMPS
 8111 AUTOMOTIVE REPAIR & MAINTENANCE
 8112 ELECTRONIC & PRECISION EQUIP. REPAIR & MAINTENANCE
 8113 COMMERCIAL & INDUSTRIAL MACH. & EQUIP. REPAIR & MAIN.
 8122 DEATH CARE SERVICES
 8123 DRY CLEANING SERVICES (if dry cleaning operations on-site)
 812921 PHOTOFINISHING LABORATORIES

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SBA 504 Lender Guide

Timing

Eligibility The first step in the 504 process is determining if the project is eligible. For a quick overview refer to Premier Capital's SBA 504 Reference Guide, www.504partner.com or simply contact us directly to discuss your project.

Application We recommend a joint call with your prospect so we can review the 504 program, and if appropriate, help them complete the 504 application.

Approval Once your bank has approved the loan, the next step is to obtain loan approval from Premier Capital. Our approval is subject to the timely receipt of required documents. Our loan committee meets weekly as needed with decisions the same day.

SBA Approvals - To complete the process the SBA will need to issue three approvals (which can be simultaneous):

- ▶ One indicating their concurrence with Premier's loan committee decision
- ▶ Approval of the Appraisal
- ▶ Approval of the Environmental

Closing

Once all three SBA approvals are received, Premier Capital's Closing Officer will facilitate closing the 504 portion of the financing with the bank, the borrower and the title company. If the project is a purchase transaction, we will do our best to make a simultaneous closing possible. If not, the bank can close and fund to accommodate transfer of ownership. The 504 closing can occur at a later date with the 504 funding occurring in the next available debenture sale.

If the project involves construction or renovations, it will need to be completed prior to the 504 closing. The 504 closing will be scheduled at least 30 days after the final lien waiver has been obtained to surpass the time allowed for any materialmen's or mechanics liens to be filed. **REMINDER:** At completion, the appraisal must be re-certified indicating compliance to the plan, specs and materials as presented in the original appraisal and submitted to the SBA for final approval.

Closing Items Needed From Bank:

- ▶ Copies of the executed note(s) and mortgage(s) for the construction or permanent and interim financing
- ▶ Copy of the title insurance commitment or policy for the above financing
- ▶ Copy of the HUD Settlement Statement & verification of borrower injection
- ▶ Copies of AIA Certificates or whatever documentation the bank requires for construction/renovation draws
- ▶ A copy of the FEMA Flood Certificate obtained on the project property
- ▶ Wiring instructions for the debenture proceeds

Premier Capital Corporation

151 N. Delaware St. Suite 750

Indianapolis, IN 46204

O (317) 974-0504

F (317) 974-0510

www.504partner.com

