



# U.S. SMALL BUSINESS ADMINISTRATION

## **SUBSTITUTION OF GUARANTOR** **REQUIREMENTS** **DISASTER INFORMATION**

**For the U.S. Small Business Administration (SBA) to consider a *Substitution of Guarantor* request, the below documentation must be provided. Borrowers and/or Guarantors have 30 calendar days to submit a completed packet. Completed packets will be reviewed within 15 business days of receipt by the proper SBA office. Incomplete packets will result in a delay in processing.**

### **ATTENTION:**

This requirements letter is not a commitment by the SBA. Any commitment made by the SBA will be provided separately in writing.

Approval of any request may be conditioned on curing defaults and correcting any collateral deficiencies or issues with loan documents.

**Note:** If SBA is in the process of foreclosing on the real estate used to secure your SBA loan, you must contact the SBA employee in the SBA's National Disaster Loan Resolution Center (NDLRC) named in your foreclosure letter to discuss this matter. As to non-bankrupt borrowers/guarantors in foreclosure, collection efforts currently in process will continue until SBA's NDLRC receives the required documentation and approves your request for assistance in writing. There will be no refunds of any offset(s) by the U.S. Department of Treasury during this period.

A ***release/substitution*** with one Obligor does not release the remaining Obligors because each is jointly and severally liable. Additional documentation may be required for thorough analysis.

### **From Guarantors:**

1. A detailed letter from existing SBA borrower(s) and guarantor(s) signed and dated explaining the reasons for the substitution of guarantor. If monetary consideration is being offered, state the amount and source of funds.
2. Completed, signed, and dated Consent to Verify Information and 3rd Party Authorization ([Borrower Authorization](#)) for existing and proposed guarantor(s).
3. Completed, signed, and dated Financial Statement of Debtor ([SBA Form 770](#)) for existing and proposed guarantor(s). The request will be withdrawn if the form is incomplete.
4. Completed, signed, and dated Statement of Personal History ([SBA Form 912](#)) for proposed guarantor(s).
5. Copies of filed Federal Income Tax Returns (all schedules) for the last two (2) years from existing and proposed guarantor(s). If current tax return was not filed, submit a copy of your tax extension form and W-2 form(s).
6. Copies of the most recent pay stubs for the past (2) months from existing and proposed guarantor(s). If any are a recipient of Social Security, provide a copy of the current SSA/SSI award letter, a copy of the most recent SSA/SSI check stub or bank statement reflecting the SSA/SSI benefits.
7. Copies of the last 6 months of statements for all banking and investment accounts (stocks, bonds, IRA, Mutual Funds, etc.) from existing and proposed guarantor(s).
8. Copy of buy/sell agreement, buyout agreement. (if applicable)

**Additional requirements for Business Loans:**

1. Copies of the latest filed Federal Income Tax Returns (all schedules) for the last two (2) years. (If current tax return was not filed, submit a copy of your tax extension form along with W-2 forms).
2. Year-to-Date financial statements including the balance sheet and profit & loss statement current within 90 days.
3. Current Monthly Debt Schedule for business or use SBA [Form 2202](#).

**Additional requirements if the request includes Real Estate and/or Business Assets in transaction:**

1. Provide a copy of the quitclaim deed on the party who will be released from the obligation.
2. Valuation of collateral: A copy of a recent appraisal (no older than 120 calendar days) prepared by a real estate appraiser with an active real estate appraiser's license. The required valuation is for property to be RELEASED and to be SUBSTITUTED.
3. Current Title Report/Ownership Encumbrance Report/UCC Lien Searches of the collateral and/or business assets held as security on loan for property to be RELEASED and to be SUBSTITUTED dated within 6 months.
4. The verified balance(s) of any and all prior liens superior to SBA's position (please include payoff statement from lien holders); from the properties to be RELEASED and to be SUBSTITUTED as collateral.
5. Written verification that the NEW property offered as collateral is not within a Special Flood Hazard Area (SFHA) (i.e., appraisal, insurance company provided confirmation and map). If property is within a Special Flood Hazard Area, you will be mandated to provide Flood Insurance naming SBA as Mortgagee, with coverage amount equal to the insurable value of the property, or the maximum coverage available, whichever is less. On property to be SUBSTITUTED as collateral.
6. Submission of insurance policy's declaration page(s) as proof of Hazard Insurance and/or Flood Insurance on property to remain as collateral, showing SBA as Mortgagee.
  - a. MORTGAGEE CLAUSE is: United States Small Business Administration, an Agency of the government of the United States of America, (Select and enter name and address of applicable center as shown below) on property to REMAIN as collateral.

*Please submit the above required information to the US Small Business Administration at the appropriate **Disaster Loan Servicing Center**, as shown below.*

*Complete information packages may be E-Mailed, Mailed, Faxed or Uploaded. Please only use ONE option, and follow-up to verify receipt.*

**Birmingham Disaster  
Loan Servicing Center**

2 North 20<sup>th</sup> Street, Suite 320  
Birmingham, AL 35203  
Toll Free Phone: (800) 736-6048  
Fax: (202) 481-0292  
E-mail: [Birminghamdlsc@sba.gov](mailto:Birminghamdlsc@sba.gov)  
[Upload to Birmingham DLSC](#)

**El Paso Disaster  
Loan Servicing Center**

1545 Hawkins Boulevard, Suite 202  
El Paso, TX 79925  
Toll Free Phone: (800) 487-6019  
Fax: (202) 481-5105  
Email: [ElPasoDLSC@sba.gov](mailto:ElPasoDLSC@sba.gov)  
[Upload to El Paso DLSC](#)

**National Disaster  
Loan Resolution Center**

200 West Santa Ana Blvd., Ste., 740  
Santa Ana, CA 92701-4134  
Toll Free Phone: (855) 788-3154  
Fax: (Liquidation) (714) 569-1630  
Email: [NDLRC.Packages@sba.gov](mailto:NDLRC.Packages@sba.gov)  
[Upload to Santa Ana NDLRC](#)