OMB Approval No. 3245-0201
Expiration Date: 08/31/20 14

FEE DISCLOSURE FORM AND COMPENSATION AGREEMENT
For Agent Services In Connection With an SBA 504 Loan

Purpose of this form: Section 13 of the Small Business Act (15 U.S.C. § 642) requires that a small business SBA loan applicant ("Applicant") identify the names of persons engaged by or on behalf of the Applicant for the purpose of expediting the application and the fees paid or to be paid to any such person. 13 C.F.R. Part 103.5 requires any Agent to execute and provide to SBA a compensation agreement ("Agreement") showing the compensation charged for services rendered or to be rendered to the Applicant or lender in any matter involving SBA assistance. "Agent" includes a loan packager, referral agent, broker, accountant, attorney, consultant or any other party that receives compensation from representing an Applicant in connection with an SBA loan. (13 C.F.R. Part 103 and sections 120.883, 120.926, 120.935, 120.971, and 120.972 contain the rules governing compensation of Agents or Certified Development Companies ("CDC") in connection with packaging and processing a 504 loan. These rules may be found at the electronic code of federal regulations website.)

A CDC is limited by regulation to charging an Applicant up to 1.5 percent of the net debenture to cover the CDC's costs associated with all activities required to process the 504 loan request including screening and packaging the loan. Two thirds of this fee is considered earned and may be collected by the CDC when the 504 loan authorization for the debenture is issued by SBA. At the time of application, the CDC may require a deposit of the fee from the Applicant. The deposit may be up to $2,500 or 1 percent of the net debenture amount, whichever is less. The deposit must be refunded if the application is denied. If the Applicant withdraws its application, the CDC may deduct from the deposit reasonable costs incurred in packaging and processing the application. The 1.5 percent fee (and any deposit towards the fee) does not have to be reported as part of this Agreement.

A CDC may receive a reasonable referral fee from the Third Party Lender if the CDC secured the Third Party Lender for the Applicant under a written contract between the CDC and the Third Party Lender. (A Third Party Lender provides the Third Party Loan, which is part of the 504 project financing but is not guaranteed by SBA.) If a CDC charges a referral fee, the CDC is construed as a Referral Agent for purposes of this Agreement. Both the CDC and the Third Party Lender are prohibited from charging this referral fee to the Applicant.

If an Applicant chooses to employ an Agent to represent the Applicant, compensation an Agent charges to and that is paid by the Applicant must bear a necessary and reasonable relationship to the services actually performed. Compensation cannot be contingent on loan approval. In addition, compensation must not include any expenses which are deemed by SBA to be unnecessary in connection with the loan application or are prohibited by SBA rules. If the compensation is not permitted by SBA rules, the Agent must cancel the compensation, or refund to the applicant any portion the Applicant already paid. In cases where SBA deems the amount of compensation unreasonable, the Agent must reduce the compensation charged to an amount SBA deems reasonable, refund to the Applicant any sum in excess of the amount SBA deems reasonable, and refrain from charging or collecting directly or indirectly from the Applicant an amount in excess of the amount SBA deems reasonable. Violation by an Agent of any of these rules may result in SBA's suspension or revocation of the Agent's privilege of conducting business with SBA.

The following are not considered Agents for purposes of this Agreement and, therefore, are not required to complete this Agreement: 1) Applicant's accountant for the preparation of financial statements required by the Applicant in the normal course of business and not related to the loan application; 2) a state-certified or state-licensed appraiser employed by the Lender to appraise collateral in connection with the SBA loan; 3) a lender service provider operating under an SBA-approved lender service provider agreement; 4) an individual who only performs a business valuation as long as the individual does not provide any other services to the Applicant in connection with the loan application; 5) an environmental professional employed by the lender to conduct an environmental assessment of the collateral in connection with the SBA loan; and 6) any attorney in connection with the 504 loan closing.

In addition, direct costs associated with document preparation in connection with the loan closing do not need to be reported in this Agreement.

Instructions on completion of this form: This form must be completed in connection with a loan application if 1) the Applicant has paid (or will be paying) compensation to an Agent or 2) if the CDC has (or will be) receiving or paying a referral fee. There must be a separate, completed Agreement for each Agent. If the certifications are made by a legal entity other than an individual (e.g., corporation, limited liability company), execution of the certification must be in the legal entity's name by a duly authorized officer or other representative of the entity; if by a partnership, execution of the certification must be in the partnership's name by a general partner. If the total compensation exceeds $2,500, the compensation must be itemized.

Loan applicant name:
Loan applicant business name (if different):

Agent's Agreement and Certifications: By signing this Agreement, the undersigned Agent agrees that it has not and will not directly or indirectly charge or receive any payment in connection with the application for or making of the SBA loan except for services actually performed on behalf of Applicant and identified in this Agreement. The undersigned Agent certifies that the information provided in this Agreement accurately describes the type of services it has provided to the Applicant and that the compensation described in this Agreement is the only compensation that has been charged to or received from the Applicant or that will be charged to the Applicant as an Agent for services covered by this Agreement. **WARNING: False certifications can result in criminal prosecution under 18 U.S.C. § 1001 and other penalties provided under law.**

Type of agent:			
□ Independent loan packager	□ Broker or Referral agent employed by applicant	□ Other (describe):	
Type of services agent provided to applicant:			
□ Loan packaging	□ Financial statements specifically for the application	□Broker or Referral services paid by applicant	□ Other (describe):
Total compensation charged to applicant: $_____ ***If the amount exceeds $2,500*:** For the entire compensation charged, attach a separate schedule itemizing 1) the services performed; and 2) the hourly rate and the number of hours billed for that service.			

Agent Name and Signature: By _____ _____
(Signature of agent) (Date)

_____
(Name of agent – please print)

_____
(Business name of agent – please print)

_____
(Business address of agent including zip code)

_____
(Business address cont.)

Applicant's Certifications: The undersigned Applicant certifies to SBA that the above representations and amounts are the only amounts paid by the Applicant in connection with the services covered by the Agreement and are satisfactory to the Applicant. The Applicant further certifies that a compensation agreement (Form 159) has been executed for all Agents, as defined above, involved with this loan. **WARNING: False certifications can result in criminal prosecution under 18 U.S.C. § 1001 and other penalties provided under law.**

_____	By:_____	_____
(Applicant's Name)	(Signature of authorized representative)	(Date)
	_____	
	(Name of authorized representative – please print)	

CDC's Certifications: The undersigned CDC certifies that the representations of services rendered and amounts charged as identified in this agreement are reasonable and satisfactory to it. The undersigned also certifies that he or she has no knowledge that any other Agent, as defined above, was engaged by, represented or worked on behalf of the Applicant other than as disclosed above or in another executed compensation agreement (Form 159). The undersigned further certifies that any referral fees received by the CDC or paid by the CDC to a third party described below are the only referral fees in connection with this loan, and were not charged directly or indirectly to the Applicant. **WARNING: False certifications can result in criminal prosecution under 18 U.S.C. § 1001 and other penalties provided under law.**

_____	_____
(CDC Name)	(Name of referral agent – please print)
By:_____ _____	_____
(Signature of authorized CDC representative) (Date)	(Business name of agent – please print)
_____	_____
(Name of authorized CDC representative – please print)	(Business address of agent including zip code)
Referral fee paid by CDC, if any: $_____	_____
	(Business address cont.)

(To be completed by CDC if the CDC is a Referral Agent)

	_____
	(Name of Third Party Lender – please print)
_____	_____
(CDC name)	(Business address of Third Party Lender incl. zip code)
By:_____ _____	_____
(Signature of authorized CDC representative) (Date)	(Business address cont.)

Referral fee paid to CDC by Third Party Lender $_____

504 Loan No._____ (if approved)

PLEASE NOTE: The estimated burden for completion of this Form 159 is 5 minutes per response. You are not required to respond to this information collection unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, Administrative Information Branch, Washington, D.C. 20416, and Desk Officer for SBA, Office of Management and Budget, New Exec. Office Building, Room 10202, Washington, D. C. 20503. PLEASE DO NOT SEND FORMS TO OMB.