

## **LOAN ASSUMPTION**

In order for the Small Business Administration to process an Assumption action on the SBA loan, **please provide the following required information as itemized below.**

### **ATTENTION:**

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

Servicing actions cannot be approved without proof of continuing insurance coverage showing SBA as mortgagee as stated below.

All loans must reflect current status before the SBA will process a servicing action. Any incomplete packages are subject to delays and/or may be returned unprocessed. Additional documentation may be required for thorough analysis.

Please be advised that assumption of this loan does not grant any rights of ownership to any collateral. Any change in ownership of collateral must be bargained for separately and evidenced by a sufficient legal document.

**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.

### **GENERAL REQUIREMENTS (For All Loan Types):**

#### **From the current borrower(s):**

1. A letter from the borrower(s) and/or guarantor(s) (if any) signed and dated explaining your assumption proposal. Explain any cash to be paid to the current borrower/guarantor and any other financing related to the assumption;
  - a) If applicable, Copy of death certificate (Death of Sole Obligor).
  - b) If applicable, list additional collateral being offered to secure the loan along with an independent collateral evaluation (Appraisal/Tax Assessment), Court documents issued by court granting assumptor ownership of the estate).
2. Completed, signed and dated Financial Statement of Debtor ([SBA Form 770](#)) sheet.
3. Borrower's Consent to Verify Information and 3<sup>rd</sup> Party Authorization ([Birmingham Form](#), [El Paso Form](#), [Santa Ana Form](#)) signed by all SBA borrowers and guarantors.
4. Copies of the latest Personal Federal Income Tax return (all schedules) for the last 2 years.
5. Copy of Buy/Sell Agreement (if applicable).

#### **From the proposed borrower(s):**

1. Signed and dated letter from all proposed borrower(s) consenting to the Assumption.
2. Statements of Personal History ([SBA Form 912](#)); Individuals and/or Corporate Officers.
3. Personal financial statement of all borrowers ([SBA Form 770](#)).

4. Borrower's Consent to Verify Information and 3<sup>rd</sup> Party Authorization ([Birmingham Form](#), [El Paso Form](#), [Santa Ana Form](#)) signed by all SBA borrower(s) and guarantor(s) (if any).
5. Copies of your latest Federal Income Tax return (all schedules) for the last two (2) years.

**ADDITIONAL REQUIREMENTS (For Business Loans):**

6. Resolution of Board of Directors ([SBA Form 160](#)) is required, if the Assumptor is a corporation.
7. If LLC, provide Articles of Incorporation and By Laws.
8. Interim financial statement - balance sheet and profit & loss statement **current within 90 days**.
9. UCC Lien Searches of the business assets to be held as collateral dated within 6 months.

**Collateral (if applicable):**

1. Current or most recent real estate appraisal (no older than 6 months if loan is in regular servicing; no older than 12 months if loan is in liquidation) prepared by a real estate appraiser with an active real estate appraiser's license; on collateral or on commercial real estate to be pledged as collateral.
2. Current Title Report/Ownership Encumbrance Report of real estate to be pledged as collateral dated within 6 months.
3. Submission of insurance policy's declaration page(s) as proof of Hazard Insurance and Flood Insurance on property to be assumed, showing SBA as Mortgagee. **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 per below):
  - a. Birmingham DLSC – 801 Tom Martin Drive, Suite #120, Birmingham, AL 35211
  - b. El Paso DLSC - 10737 Gateway West, Suite #300, El Paso, TX 79935
  - c. Santa Ana NDLRC - 200 W Santa Ana Blvd, Suite #180, Santa Ana, CA 92701
4. If NEW property is not within a Special Flood Hazard Area (SFHA), provide written verification (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.

**Terms of Sale (if applicable):**

1. Copy of Buy/Sell Agreement (if applicable)
2. Copy of seller carry back note
3. Lease Agreement
4. Approval of Senior Lien Holder (if applicable)

**Packages can be electronically uploaded or sent via regular mail:**

(1) Electronic upload:

- a. [Upload to Birmingham DLSC](#)
- b. [Upload to El Paso DLSC](#)
- c. [Upload to Santa Ana NDLRC](#)

(2) Regular mail: Mail to the appropriate center:

- a. US SBA, Birmingham DLSC – 801 Tom Martin Drive, Suite #120, Birmingham, AL 35211
- b. US SBA, El Paso DLSC - 10737 Gateway West, Suite #300, El Paso, TX 79935
- c. US SBA, Santa Ana NDLRC - 200 W Santa Ana Blvd, Suite #180, Santa Ana, CA 92701