INSTRUCTIONS FOR USE OF SBA FORM 2462
ADDENDUM TO FRANCHISE AGREEMENT

SBA has issued a revised version of the Addendum to Franchise Agreement (SBA Form 2462) which became effective February 14, 2017. SBA Policy Notice 5000-1941 explains updates made to the franchise review process for the 7(a) and 504 loan programs.

SBA Form 2462 has three locations with drop down menu options at the beginning of the form (see example below). Once a drop down option is chosen (i.e. #1 “Franchise” #2 “Franchisor” and #3 “Franchisee”), the user must hit “tab” key to automatically populate the appropriate term in all fields.

Example of Drop-Down Options

![Drop-Down Options Example]

Once the drop down options have populated in all three locations, the remaining fillable fields must be completed manually (see example below). These fields will either be blank or contain the language “(Enter type of)” or “(type of agreement).” When completing SBA Form 2462, the text may not be altered except to insert the information required to complete the form.

Example of Fillable Fields to be Completed Manually

FORCED SALE OF ASSETS

- If Franchisor _______ has the option to purchase the business personal assets upon default or termination of the Franchise _______ Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchise _______ owns the real estate where the franchise _______ location is operating, Franchisee _______ will not be required to sell the real estate upon default or termination, but Franchisee _______ may be required to lease the real estate for the remainder of the _______ term (excluding additional renewals) for fair market value.

Note to Parties: This Addendum only addresses “affiliation” between the Franchisor _______ and Franchisee _______. Additionally, the applicant Franchisee _______ and the _______ system must meet all SBA eligibility requirements.