



## U. S. SMALL BUSINESS ADMINISTRATION

BIRMINGHAM DISASTER LOAN SERVICING CENTER

801 Tom Martin Drive, Suite 120

BIRMINGHAM, ALABAMA 35211

800-736-6048 • 205-290-7141 • 205-290-7765 (FAX)

### The following information is required for consideration of a Business Subordination Request.

- (1). A Letter from the Borrower or Lender requesting the Subordination stating ACTUAL request, Reason for the request, **EXACT** name of the New Lender, loan amount, & address of property in question.
- (2). Copy of Loan Application.
- (3). A recent Appraisal (preferable) performed within the last **(12) months** or a Current Broker's Opinion. We will accept a recent Tax Assessment Value, however in many cases these values are below Fair Market Value.
- (4). Most recent Fiscal Year End Verification Tax Return, Interim Balance Sheet and Income Statement.
- (5). The verified balance of any Prior Liens superior to SBA's position. **(Please include payoff statement from lien holders).**
- (6). Specific Breakdown of the Use of the Loan Proceeds.
- (7). Most current Personal Federal Tax Return & Personal Financial Statement (SBA form 770).
- (8). Verification of Employment.
- (9). Copy of Good Faith Estimate.
- (10). Copy of Title Search
- (11). A **Business Subordination Worksheet** should be completed by the Lender and returned with the requested information.
- (12). The borrower must provide a copy of the declaration page(s) for the homeowner's/business owner's insurance policy covering the subject property. If a windstorm policy is required then copies of the declaration page(s) **must** also be provided. Flood insurance is required if a current flood zone determination shows the property in a flood plain. If the policy's declaration page(s) does not reflect the SBA as mortgagee, **not as loss payee**, at the address as stated on the letterhead, an endorsement to the policy adding the SBA as mortgagee must be provided.

Please note – **NO** servicing actions will be approved without proof of continuing insurance coverage showing SBA as mortgagee as stated above.

### **THE SBA LOAN MUST BE CURRENT PRIOR TO CONSIDER OF ANY ACTION.**

SBA will consider subordination action for the refinance of any liens it is Subordinate to, for reduction of interest rates with NORMAL CLOSING COSTS. **SBA WILL NOT MOVE DOWNWARD IN LIEN POSITION.**

**SBA WILL ALLOW ONLY TWO (2) MONTHS OF ESCROW COST FOR INSURANCE AND TAXES TO BE ADDED TO THE NEW LOAN AMOUNT.**

Upon receipt of the above, we will complete our evaluation of your request and advise you of our decision. The turn-around time for approval and preparation of any action request is approximately fourteen (14) working days from the date **ALL** required documents/information are received in this office.

If you have any questions, please contact the SBA at toll free at (800) 736-6048, Option (1) or by letter at the above address.