



U. S. Small Business Administration
Standard 7(a) Loan Guaranty Processing Center
6501 Sylvan Road Ste 122
Citrus Heights, CA 95610

Standard 7(a) LGPC Submission – Cover Sheet

Lender Contact Information

Lender Name:

Contact:

Title:

Phone:

Fax:

Email Address:

Lender Service Provider Contact Information

Name:

Contact:

Phone:

Fax:

Email Address:

Correspond with Lender

Correspond with Lender Service Provider

To submit documents via: "Send This File" click [here](#).

Standard 7(a) LGPC 10-Tab Submission Instructions

The 10-Tab Submission PDFs were developed to help you organize your LGPC Submission Package. Use of the 10-tab system is required for all packages submitted to the LGPC so please read and follow these instructions carefully. Failure to provide all information per these instructions will result in unnecessary delays in the processing of your guarantee request. *Note: The submission PDFs were developed so your documents can be electronically inserted into them. However, you can print and scan with your loan documents, separated by each tab. If you choose to do this, we suggest you use the “printer friendly” PDFs.*

Click [here](#) to get the most current version of the submission PDFs.

Tab 1 – Application

- SBA Form(s) 1919
- SBA Form 1920

Tab 2 – Lender’s Credit Memo

- Lender’s Credit Memo
- Debt Schedule
- Schedule of Collateral

Tab 3 – Draft Authorization

- (Required only for CLP/PLP lenders)

Tab 4 – Owner/Operator Personal Information

- Personal Financial Statement (SBA Form 413)
- SBA Form 912 (if required)
- Verification of Alien Status (if required)

Tab 5 – Other Processing Documents

- Business Valuation
- Transcripts for SID refinance (w/Lender’s statement)
- List of all M&E being purchased
- All other documents not listed elsewhere

Tab 6 – Business Financials

- Current Income Statement and Balance Sheet
- Last 3 FYE Income Statements and Balance Sheets
- Cash Flow Projections
- Seller’s Financials (if purchasing a business)

Tab 7 – Affiliate Financials

- Current Income Statement and Balance Sheet
- Last 3 FYE Income Statements and Balance Sheets

Tab 8 – Supporting Docs (Eligibility)

- Franchise and Related Documents
- Business/Stock/Asset Purchase Agreements
- Real Estate Purchase Agreements
- Other Agreements

Tab 9 – Supporting Docs (Collateral)

- Real Estate Appraisal
- Environmental Investigation Reports
- Lease Agreements

Tab 10 – Supporting Docs (Other)

Steps on How to Submit an SBA 7(a) Loan

- Complete all required SBA forms and provide the applicable documents listed on the Submission Checklist (following page). SBA forms can be found at <http://www.sba.gov/for-lenders> .
- Please ensure each section of the applicable SBA forms are completed in their entirety, signed, and dated.
- Please include contact person(s) name(s) along with a fax number and email address for correspondence.
- Retain a copy of the completed file, including all required SBA forms.

Note: Loans referred to in the 10-Tab as “Small Loans” are standard 7(a) loan requests that do not exceed \$350,000 and meet the minimum credit score to be processed under the “SLA” criteria.

Loan application documents can be sent to the LGPC via the following methods:

<p><u>e-Tran</u> *Preferred Method*</p> <p>Upload your application and documents via the upload link on the e-Tran web site.</p>	<p><u>Electronic File Transfer (FTP)</u> *No file size limitation*</p> <p>Go to http://www.sba.gov/content/send-file and click the “Send a file” link for “Standard 7(a) Loan Guaranty Processing center (LGPC) – CA or KY”</p>	<p><u>e-mail</u> * Not Recommended *</p> <p>May be used only if attachments are less than 9MB. 7aloanprogram@sba.gov</p>
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Upon receipt of your application, we will e-mail you a confirmation along with an SBA control number.

If you have any questions, contact your local office, call us at (877) 475-2435, or email 7aquestions@sba.gov.

Tab 1

Application

- Borrower(s) Information

- SBA Form(s) 1919

- Lender's Application

- SBA Form 1920

Note: Loans referred to in the 10-Tab as “Small Loans” are standard 7(a) loan requests that do not exceed \$350,000 and meet the minimum credit score to be processed under the “SLA” criteria.

Borrower Information

- SBA Form 1919, must be completed and signed by the following:
 - For a sole proprietorship, the sole proprietor;
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the firm;
 - For a corporation, all owners of 20% or more of the corporation and each officer and director;
 - For limited liability companies (LLCs), all members owning 20% or more of the company and each officer, director, and managing member;

And:

- Any person hired by the business to manage day-to-day operations;
- Any person required by SBA to guarantee the loan.

Lender's Application

- ❑ SBA Form 1920 – Lender's Application

Tab 2

Lender's Credit Memo

Lender's Credit Memo, with:

➤ Debt Schedule (N/A for Small Loans)

➤ Schedule of Collateral (N/A for Small Loans)

(Note: For Small Loans, if a schedule is not included, lender must provide the collateral and lienholder information required for the LGPC to create the Loan Authorization.)

➤ When refinancing any debt:

Transcripts of the loan(s) being refinanced, and

An explanation of any late payments and late charges that have occurred

Lender's Credit Memo

Required for all applications

- For Small Loans, see [SOP 50 10 5\(F\), pages 161-163](#) for complete LCM requirements which include:
 - A brief description of the history of the business and its management;
 - Debt service coverage ratio of at least 1:1; and
 - Statement that lender has reconciled financial data (including seller's financial data) against IRS transcripts;
 - Owner/Guarantor analysis (including personal financial condition);
 - Lender's discussion of life insurance requirements;
 - Explanation and justification for any refinancing;
 - Analysis of credit, including lender's rationale for recommending approval;
 - For a change of ownership, discussion/analysis of business valuation and how the change benefits the business;
 - Discussion of any liens, judgments or bankruptcy filings; and
 - Discussion of any other relevant information.

- **For loans exceeding \$350,000**, see [SOP 50 10 5\(F\), pages 163-164](#), for the complete LCM requirements (which include the above), plus:
 - Financial analysis including: Analysis of the historical financial statements (defining EBITDA, documenting additions and subtractions to cash flow, and showing DSC of at least 1.15:1), defining assumptions supporting projected Cash Flow, when used, spread of pro-forma Balance Sheet, Ratio Calculations, and Working Capital analysis;
 - Collateral Analysis.

Debt Schedule

➤ Required for:

- The borrower and affiliates for all loan requests exceeding \$350,000 (whether refinancing is included, or not),
- All loans being refinanced (regardless of the loan size and processing method).

Must include: Lender Name, Origination Date, Original Balance, Current Balance, Rate, Term, and Monthly Payment.

Schedule of Collateral *

For Small Loans, if a schedule is not included, Lender must provide all collateral and lienholder information required by the LGPC to complete the Loan Authorization.

*** Not required for Small Loans.**

Tab 3

Draft Authorization

- Required for CLP loans, recommended for all others.

Note: Submission of the Draft Authorization helps to ensure that your loan approval will reflect the amounts, terms, and conditions that you have requested.

Tab 4

Owner/Operator Personal Info.

- Personal Financial Statement * - (SBA Form 413),
(and Personal Tax Returns - when submitted)
- SBA Form 912 - (Personal History Statement) (if required)
- Verification of Alien Status (if required)

* Not required for Small Loans.

Personal Financial Statement * (SBA Form 413, or Lender's Equivalent)

- Must be provided for all owners of 20% or more and for all proposed guarantors (and must include all assets of the owner's spouse and any minor children).
- Must be provided for all Trustees if applicant is owned by a Trust.
- Must include all requested information.
- Must be signed and dated within 90 days (*including signature of non-owner spouses*).

*** Not required for Small Loans.**

SBA Form 912

(Personal History Statement)

- Required only if question 1, 2, or 3 of Form 1919 is answered “Yes” (see SOP 50 10 5(F), page 198).
- ❑ 912 Addendum “B” (or equivalent), when required.
- ❑ SBA Form FD-258 (fingerprint card), when required (hard copy must be mailed to the SBA).

Verification of Alien Status

- Required for any alien required to complete SBA Form 1919.

(see SOP 50 10 5(F), pages 103-104)

Tab 5

Other Processing Documents

- Business Valuation -
See SOP 50 10 5(F), pages 174-175.
- Payment Transcripts for each debt being refinanced (along with an explanation of any late payments and late charges that have occurred during the period reported) -
Required for all debts being refinanced with SBA loan proceeds. (See SOP 50 10 5(F), page 116).
- List of all M&E being purchased (with cost quotes) -
Required for all loans exceeding \$350,000 where M&E is being purchased with SBA loan proceeds.
- All other documents not listed elsewhere

Business Valuation

- Required for all change of ownership transactions.
- When intangibles being financed are greater than \$250,000 (or when there is a close relationship between the buyer and seller) an independent Business Valuation from a “qualified source” is required.
- When intangibles being financed are less than or equal to \$250,000, the lender may perform its own valuation of the business (unless the lender’s policy requires an independent valuation be obtained).

Payment Transcripts for Debt Refi. (along with Lender's Comments)

- Required for each debt being refinanced with SBA loan proceeds (36 months for same-institution-debt, 24 months for all others). (see [SOP 50 10 5\(F\)](#), pages 116 & 164)
- Must include an explanation of any late payments and late charges that have occurred during the reporting period.

List of M&E Being Purchased *

- Must include a detailed list of all M&E being purchased (with cost quotes), with SBA loan proceeds.

* Not required for Small Loans.

Other Processing Documents

- Please do not put any documents in this section if they are listed on another tab.

Tab 6

Business Financials *

- Current Income Statement & Balance Sheet
- FYE Income Statements (or Income Tax Returns) & Balance Sheets, for last 3 yrs.
- Cash Flow Projection - month by month, for one year
(required for all new businesses, and when otherwise applicable)
- If purchasing an existing business with SBA loan proceeds, a copy of seller's financials for the last 3 fiscal years, plus interim statements within 180 days of date submitted to SBA (see SOP 50 10 5 (F), page 199)

* Not required for Small Loans.

Current (Business) Income Statement & Balance Sheet *

(within 180 days of date submitted to SBA)

- Both must be dated the same date, within 180 days of submission date.
- All must be signed and dated by the applicant or an authorized officer (if a blanket statement as to their accuracy is not included).
- Must include reconciliation of Net Worth.

*** Not required for Small Loans.**

Fiscal Year-End (Business)

Income Statements & Balance Sheets *

(for most recent 3 years)

- All copies must be properly signed and dated by the applicant or authorized officer (unless a blanket statement as to their accuracy is included).

*** Not required for Small Loans.**

Cash Flow Projections

(month by month, for one year)

- Required for all new businesses, and when otherwise applicable.

Seller's Financials

Income Statements & Balance Sheets *

(most recent 3 year's ending)

- Required when purchasing an existing business with SBA loan proceeds.
- Must include interim statements within 180 days of date submitted to SBA. (see SOP 50 10 5(F), page 199)

*** Not required for Small Loans.**

Tab 7

Affiliate Financials *

- Current Income Statement & Balance Sheet
- FYE Income Statements (or Income Tax Returns) & Balance Sheets, for last 3 yrs.

(See SOP 50 10 5(F), page 198)

* Not required for Small Loans.

Current (Affiliate) Income Statement & Balance Sheet *

(within 180 days of date submitted to SBA)

- Both must be dated the same date, within 180 days of submission date.
- Must be signed and dated by the applicant or an authorized officer (if a blanket statement as to their accuracy is not included).
- Must include reconciliation of Net Worth.

* Not required for Small Loans.

Fiscal Year-End (Affiliate)

Income Statements & Balance Sheets *

(most recent 3 year's ending)

- All copies must be properly signed and dated by the applicant or authorized officer (if a blanket statement as to their accuracy is not included).

*** Not required for Small Loans.**

Tab 8

Supporting Docs (Eligibility)

- Franchise Documents
- Business/Stock/Asset Purchase Agreements
- Real Estate Purchase Agreements
- Other Agreements

Franchise Documents

- Required when the applicant is a franchise.
(see SOP 50 10 5(F), pages 77-85)
 - ❑ An executed *Certification of Franchise* documents.
or (if not available)
 - ❑ A complete copy of the Franchise Agreement, including any required addendums, & FTC Disclosure Report.
- Required when the franchise is not listed on the franchise registry.
- The following may also be required:
 - ❑ Licensing Agreement
 - ❑ Dealer Sales Agreement
 - ❑ Fuel Supply Agreement
- See Franchise Registry at <http://www.franchiseregistry.com/>

Business/Stock/Asset Purchase Agreements

- Required when the business/stock/other assets will be purchased with the proceeds of this loan.

Real Estate Purchase Agreements

- Required when real estate will be purchased with the proceeds of this loan.

Other Agreements

Tab 9

Supporting Docs (Collateral)

- Real Estate Appraisal
- Environmental Investigation Reports
- Lease Agreements

Real Estate Appraisal

- Required at time of submission when lender owned real estate (OREO) is being financed (see SOP 50 10 5(F), pages 112-113). Otherwise, it may be a condition of closing.
(see SOP 50 10 5(F), pages 171-173)

Environmental Investigation Reports

- Required when a security interest is taken in commercial real property. (see SOP 50 10 5(F), pages 178-185)

Lease Agreement

- With terms (*including options to renew*) at least as long as the term of the loan, if applicable.

Tab 10

Supporting Docs (Other)

Such as:

- Articles of Organization
- Business License
- Documentation of Lawsuits/Judgments/Bankruptcy

Note: Although these documents should be retained in your file, it is rarely necessary to submit any of them to SBA.