



SBA Procedural Notice

TO: All SBA Employees

CONTROL NO.: 5000-1155

SUBJECT: Verification of Alien Status for SBA
7(a) and 504 Loan Applicants

EFFECTIVE:
6/11/2010

As a result of a Memorandum of Agreement with the Department of Homeland Security/U.S. Citizenship and Immigration Services (USCIS), SBA has created a fast new electronic process to verify the alien status of 7(a) and 504 loan applicants. Under the new process, 7(a) lenders and Certified Development Companies (CDCs) will submit verification requests to SBA, and SBA will access the USCIS system and then notify the 7(a) lender or CDC of the response. The new process replaces the previous process where verification requests were submitted directly to USCIS, which often took weeks to complete.

As of the date of this Notice, 7(a) lenders and CDCs are now eligible to register designated personnel to use the new process. All registration requests should be sent to the Sacramento Loan Processing Center (SLPC) at Sacramento504Register@sba.gov. SLPC will respond to such requests by providing instructions on how to complete registration and to use the electronic verification process.

This Notice does not change SBA's policy regarding businesses owned by non-U.S. Citizens for 7(a) or 504 loans, including the 7(a) lenders' and CDCs' responsibilities to establish the identity of the non-U.S. Citizen and review of the non-U.S. Citizens' documentation. Also, as required by USCIS, all verification requests must include an authorization with the original signature of the non-U.S. Citizen for SBA to release information to 7(a) Lenders and CDCs on the status of a verification. The original Document Verification Request (Form G-845) and authorization for release must be maintained by the 7(a) lender and CDC in the borrower's file for review by SBA and USCIS, if requested. The information provided to SBA by the USCIS system is intended solely for the purpose of determining eligibility for SBA financial assistance. This information is governed by the Privacy Act, 5 U.S.C. 552a(i)(1), and any person who obtains this information under false pretenses or uses it for any purpose other than for determining eligibility may be subject to criminal penalties.

Amendments reflecting this new electronic process to verify alien status will be incorporated into the Standard Operating Procedures (SOP) 50 10, Lender and Development Company Loan Programs, in the next revision.

Ms. Karin Mahnke of the Sacramento Loan Processing Center is available to answer any questions about the new electronic verification process. Her telephone number is (916) 735-1196 and her email address is karin.mahnke@sba.gov.

EXPIRES: xxx

PAGE 1 of 2

SBA Form 1353.1 (12-93) MS Word Edition; previous editions obsolete
Must be accompanied by SBA Form 58

For questions regarding SBA's policy on businesses owned by non-US citizens, please contact your local SBA field office. The local SBA field office can be found at www.sba.gov/localresources.

Grady B. Hedgespeth
Director
Office of Financial Assistance

Expires: 6/1/2011