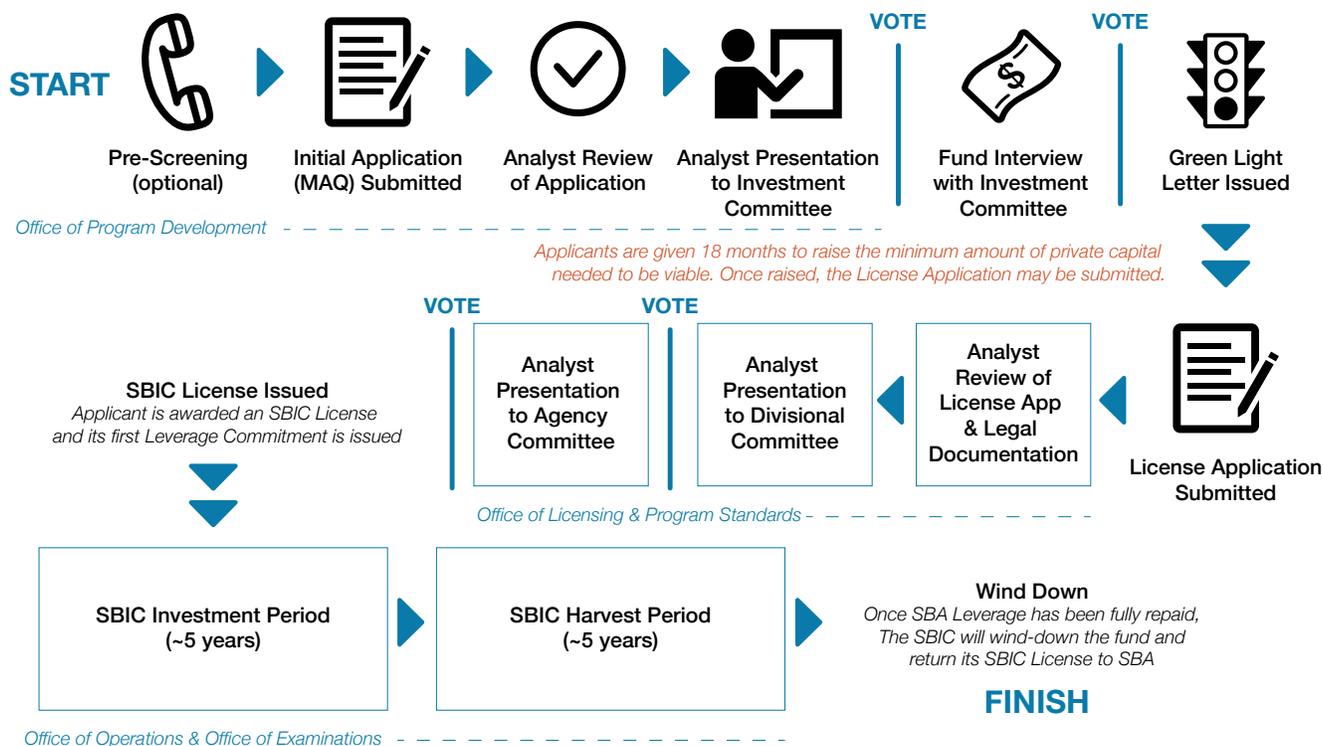


SBIC Life Cycle

Fund managers with a proven track record of success, may be granted an SBIC License through the following process.



Overview of Key Applicant Criteria:

- Proven, robust and strong investment experience with a proven track record among principals
- Proven record of performance - High quality track record of transactions analogous to those proposed for the SBIC
- Clear strategy for SBIC – articulated focus and investment thesis with targeted transaction size, investment themes
- Fund structure in line with industry norms – appropriate alignment of interests among fund managers, investors and SBA

Selected Legal Documentation Reviewed in the Licensing Process:

- Limited Partnership Agreement (LPA): Applicants are encouraged to use the SBA-approved Model LPA
- Capital Certificate: Compendium of signed commitment letters from the prospective limited partners
- Fingerprint cards: Each principal of a proposed SBIC must undergo an FBI records check

SBA-SBIC Responsibilities:

- **The Office of Operations** serves as the primary point of contact for SBIC fund managers
 - » Assist SBICs with the draw down of SBA-guaranteed leverage
 - » Review and approve potential conflicts-of-interest
 - » Process requests for the transfer of LP interests
 - » Monitor financial health of SBICs
- **The Office of Examinations** assesses the regulatory compliance of SBICs with leverage once a year, without leverage once every other year
- **SBIC managers** must report information to SBA about the companies they finance
- **SBICs** report their financial results to SBA through quarterly and annual financial statements

Pro Tip: Applicants must have secured private capital commitments in an amount sufficient to ensure the fund's financial viability PRIOR to submitting the Licensing Application