

SBA GLOSSARY

Accounts Receivable and Accounts Payable Aging Summary

The accounts receivable and accounts payable aging summary is a classification of accounts receivable and accounts payable by the time intervals in which they are held.

Purpose: Aging of accounts reveals delinquency patterns and identifies concentrations in the maturity of the accounts receivable and payable.

Where to obtain: The business should have a system in place which tracks and ages the accounts receivable and payable. If the business does not have a tracking system, then the borrower needs to speak with their CPA.

When we need it: Upon loan application.

Account Statement - Loans

Letter from a lender regarding an outstanding loan.

Purpose: Confirmation of outstanding balance and payment history for prior position liens or liens to be refinanced.

Where to obtain: From lender who has a prior lien position.

When we need it: Upon loan application.

Affiliate Financial Statements and Tax Returns

Financial statements and tax returns for each company affiliated/associated with the borrower either by ownership or relationship to business concern. Borrower must have a controlling interest in order for the business to be an affiliate. Original signatures must appear at the bottom of the page. Three years of financial statements and tax returns (including any extensions and interim statements) are required.

Purpose: To determine the size of the business and affiliates for SBA size eligibility. Also to determine the financial strength or weakness of the affiliates and any effect it has on the borrower.

Where to obtain: Borrower's CPA or self-prepared.

When we need it: Upon loan application. Financial Statements must be dated within 90 days of application.

Agreement of Compliance

SBA form 601 document which outlines federal laws regarding discrimination.

Purpose: To confirm that there has not been and will not be any form of discrimination in the completion of a construction project by the borrower, contractor and/or subcontractor.

Where to obtain: Lender to provide; contractor and borrower to execute form.

When we need it: Before construction begins.

AIA Statement/Construction Contract

A contract between the borrower and contractor that outlines the service to be provided in the construction/leasehold process. The contract should contain a trade line item breakdown, a time table and total amount of construction.

Purpose: To verify the exact dollar amount and work to be completed on the project.

Where to obtain: Borrower to get from contractor.

When we need it: A draft form upon application and a final executed copy after lender approves application (prior to funding).

ALTA (American Land Title Association) Title Commitment

A document that reflects all liens, encumbrances and encroachments on the property.

Purpose: To ensure title lien position and that there are no adverse conditions affecting the property.

Where to obtain: May be ordered by lender, borrower's attorney or borrower; however it must be ordered from a title company approved by the lender.

When we need it: Should be ordered immediately after credit approval.

ALTA Survey

Survey of the property to include all buildings, encumbrances, easements and encroachments on the property. This is for commercial property and is required by the title company and lender for proper insurance.

Purpose: To confirm buildings are within approved legal boundary lines and that there are no encumbrances, easements or encroachments that adversely affect the property.

Where to obtain: May be ordered by the lender or borrower.

When we need it: To be ordered immediately after credit approval. Usually takes 2-3 weeks to receive.

Appraisal (Real Estate)

To estimate the value of real property.

Purpose: To confirm value of real property taken as collateral.

Where to obtain: Lender to order appraisal from approved appraiser.

When we need it: As soon as possible; borrower to pay for any reports prior to ordering.

Appraisal (M&E, F&F)

To estimate the value of machinery, equipment, furniture and fixtures.

Purpose: To confirm value of machinery, equipment, furniture and fixtures taken as collateral.

Where to obtain: Lender to order appraisal from approved appraiser.

When we need it: As soon as possible; borrower to pay for any reports prior to ordering.

Articles of Incorporation/Certificate of Incorporation

Documentation filed with the State describing general information about a corporation and its creation as a legal entity.

Purpose: To confirm the legal name of the company and to verify its proper formation.

Where to obtain: Borrower's CPA, attorney or from the Secretary of State.

When we need it: Upon loan application. If it's a new corporation, then the articles may be submitted upon filed receipt from the Secretary of State.

Articles of Organization

Documentation filed with the State describing general information about a limited liability company and its creation as a legal entity.

Purpose: To confirm the legal name of the company and to verify its proper formation.

Where to obtain: Borrower's CPA, attorney or from the Secretary of State.

When we need it: Upon loan application. If it's a new limited liability company, then the articles may be submitted upon filed receipt from the Secretary of State.

Assignment of Franchise Agreement

Document that gives a lender ability to transfer the borrower's interest of a franchise.

Purpose: Assign interest to another party in case of a loan default.

Where to obtain: Lender provides the form.

When we need it: Must be signed by the franchisor as soon as possible.

Assumed Name Certificate

A trade name, d/b/a (doing business as) or fictitious name certificate used by a business must be filed with the State, county or local recording office.

Purpose: To confirm the legal name in which the entity does business.

Where to obtain: Borrower's CPA, attorney or from the office where it was filed.

When we need it: Prior to closing.

Authorization to Release Financial Information

Authorization form that requires borrower's signature.

Purpose: Authorizes lender to obtain a credit report on the borrower and any affiliates and to call on trade references and make inquiries regarding bank accounts and bank loans.

Where to obtain: In the SBA loan application package at the bottom of the personal financial statement page.

When we need it: With loan application.

Builder's Risk Insurance/Workers Compensation Insurance

Insurance to cover any liability of an employer for injuries or sickness that may arise out of and in the course of employment. Benefits include hospital and other medical payments and compensation for loss of income.

Purpose: In case of builder's negligence or accidents.

Where to obtain: From the contractor.

When we need it: Prior to closing.

Bids/Proposals

A written quotation from the vendor outlining the equipment to be purchased or improvements to be completed and the cost.

Purpose: To determine cost of the proposed project.

Where to obtain: The vendor from which the borrower is obtaining the service.

When we need it: Upon loan application.

Bill of Sale

Written agreement under which title to a personal property or other business assets is transferred.

Purpose: Documentation of the sale of the business or its assets, the parties and the price.

Where to obtain: Seller's attorney or escrow officer.

When we need it: A draft copy is required prior to closing and a final executed copy at closing.

Bulk Transfer Affidavit

An affidavit that verifies that all creditors of certain types of retail businesses are or will be paid in full and have been given the proper notice. Law created against commercial fraud, where business owner attempts to avoid payment on the debt.

Purpose: To confirm that all creditors are paid.

Where to obtain: Seller's attorney or escrow officer.

When we need it: Prior to closing.

Business Hazard Insurance

When machinery and equipment, furniture and fixtures and or inventory is taken as collateral, the lender must be named as loss payee.

Purpose: To insure all collateral in case of a hazard occurrence; insurance to replace collateral in order to continue business operations.

Where to obtain: Borrower to provide name, address and phone number of business insurance agent. Lender will contact agent to request insurance certificate.

When we need it: Prior to closing.

Business License

Any applicable license for the operation of any particular business.

Purpose: To confirm that the business is complying with necessary regulatory agencies.

Where to obtain: State, county, township, city, professional or specialized agencies.

When we need it: Prior to closing.

Business Plan

A business plan is a document required of new, changing or expanding businesses. The plan should identify the business name, location, officers, management, product/industry and competition. It should also include an explanation of how the firm will use the loan, and explain management goals and earning objectives over the next three to five years. It is generally accompanied by a projection of anticipated earnings and expenses over the same period.

Purpose: Tells the lender about the borrower and the business, products and how the loan will help the business. The plan should be thoughtfully written and should cover every aspect of the business.

Where to obtain: Borrower to write the business plan.

When we need it: Upon loan application. A start-up or expansion loan application is considered incomplete without a business plan, and cannot be submitted to credit for approval without it.

Business Tax Returns

Tax returns and extensions filed with the IRS for the business. Three years of tax returns (including any extensions) are required.

Purpose: Repayment of the loan is based on the financial performance of the company as reflected in the tax returns.

Where to obtain: Borrower's CPA or self-prepared.

When we need it: Upon loan application.

By-Laws

Rules adopted for the regulation of a group's own action.

Purpose: To confirm ownership interests, office/title and to check for any special provisions.

Where to obtain: Borrower's attorney.

When we need it: Upon loan application. New corporation's by-laws can be submitted upon filed receipt from the Secretary of State.

Certification of Architect

An AIA document provided by the architect.

Purpose: To confirm the amount and work completed by the architect for payment.

Where to obtain: Architect to provide.

When we need it: For each draw (payment) requested by the contractor.

Certificate of limited partnership

Instrument which creates a limited partnership. Document must be filed by the State.

Purpose: To confirm the legal name and proper formation of the partnership.

Where to obtain: Borrower's attorney or the Secretary of State.

When we need it: Upon loan application. New partnerships can be submitted upon filed receipt from the Secretary of State.

Change Orders

A certificate from contractor indicating changes to the original project.

Purpose: To notify and request approval from the lender for any changes being requested.

Where to obtain: Contractor to provide, borrower must sign.

When we need it: As soon as the needed change is recognized and before the work is done.

Citizenship (proof)

If borrower is not a U.S. citizen, a copy of their Alien registration.

Purpose: Indicates to lender that the borrower is legally able to work in the United States.

Where to obtain: Borrower must file certain documents with the U.S. government to obtain an Alien registration card. Lender to file INS forms for verification.

When we need it: Upon loan application.

Commercial Certificate of Occupancy

Document issued by the building department or governmental agency where the property is located.

Purpose: To confirm that the property has passed all inspections and can be occupied safely.

Where to obtain: From the proper governmental authority (city, county or township); not available in all jurisdictions.

When we need it: Prior to final funding.

Commitment Letter from Interim Lender

Purpose: To verify the interim lender is in place and to review the terms and conditions of the interim loan.

Where to obtain: Interim lender to prepare and provide to borrower.

When we need it: Before construction begins.

Condominium Documents

Master deed, by-laws and other recorded documents filed with the county.

Purpose: To verify that the condominium unit is properly designated and the condominium association is properly formed.

Where to obtain: County office where property is located.

When we need it: Before or simultaneously with the issuance of the title commitment.

Construction Budget

Purpose: A list of expenses needed to complete the project.

Where to obtain: Contractor to prepare and provide to borrower and lender on AIA form.

When we need it: Before construction begins.

Construction Timetable

Purpose: The estimated time frame it will take to complete the project.

Where to obtain: Contractor to prepare and provide to borrower.

When we need it: Before construction begins.

Cost Breakdown

Purpose: A breakdown (itemized list) of the fees and costs associated with the construction project.

Where to obtain: Contractor to prepare and provide to borrower.

When we need it: Before construction begins.

Deed

Instrument on record (or to be filed) with the county clerk's office that reflects a transfer of title to real property.

Purpose: To reflect current or proposed ownership of property.

Where to obtain: County clerk's office where the property is located or the seller's attorney.

When we need it: Should be ordered with the title commitment or provided at closing.

Demographic Study

A report that describes the population in the local and surrounding area of a new location of business.

Purpose: It informs the lender of the population within the local area, the median income, education, age, gender, number of households and other statistical data about the population for the past three years. The lender uses this information to determine if a potential new business site has the appropriate demographic profile to contribute to the success of the business.

Where to obtain: The information for the report may be obtained from the local municipal office or library. The borrower may also purchase the report from an appraiser, a real estate broker or a real estate agent.

When we need it: As soon as possible.

Environmental Questionnaire

SBA and lender requirement. One questionnaire must be completed for every piece of commercial real estate to be taken as collateral.

Purpose: The questionnaire identifies any potential environmental risks associated with a particular site. The identification of a potential risk may lead to the requirement of an environmental risk assessment report.

Where to obtain: The questionnaire is located in the SBA loan application package.

When we need it: Upon loan application.

Equity Injection

This money comes from borrowers' personal account(s) and is used to capitalize the borrowing entity.

Purpose: SBA guidelines state that all capital injection by the borrower must be documented.

Where to obtain: Borrower to provide invoices and cancelled checks or bank statements showing cleared checks for all items paid for in conjunction with the loan project.

When we need it: Prior to closing.

Form 4506

A form that must be processed with the IRS prior to closing.

Purpose: The 4506 form authorizes the lender to verify business and personal tax information with the IRS. Each borrowing corporation or partnership must provide a signed form. For a business acquisition, the seller must also provide an executed form. Individual returns are verified in the case of a sole proprietorship.

Where to obtain: The 4506 form is located in the SBA loan application package.

When we need it: Upon loan application.

Franchise or License Agreement

Executed agreement that outlines the terms and conditions between franchisor and franchisee.

Purpose: To verify that the franchisor and franchisee have a contract.

Where to obtain: The franchisor should provide.

When we need it: Prior to closing.

Franchise Disclosure Document (FDD)

Every franchise must issue an FDD which outlines pertinent information regarding the franchise concept.

Purpose: Lender to review.

Where to obtain: The franchisor must provide to the borrower, then the borrower must provide to the lender.

When we need it: Upon loan application.

General Partnership Agreement

Contract between two or more persons.

Purpose: To confirm the legal name of the partnership, check the ownership and the duties/authority of the principles.

Where to obtain: Borrower's attorney or self-prepared.

When we need it: Upon loan application.

Gift Letter

Letter stating that money was given as a gift and repayment is not expected.

Purpose: To document that the borrower's injected funds are a gift.

Where to obtain: From the person giving the gift.

When we need it: Prior to closing.

History of Business

Purpose: To list the company's history, products, the nature of the business, the customers, the competitors, etc. This helps the lender understand the business better which in turn leads to a more educated credit decision.

Where to obtain: The history of business form is located in the SBA loan application package.

When we need it: Upon loan application.

Interim Construction Lender

Lender that provides financing for the construction of the project.

Purpose: Lender to partner with interim lender to get updates and coordinate closing.

Where to obtain: Borrower to obtain interim lender. Sales person may assist in this process. Name, address and phone number is needed.

When we need it: Before construction begins.

Interim Financial Statement

Financial Statement issued for accounting period less than one year, such as quarterly or monthly.

Purpose: Ability to see financial position of the business during the year.

Where to obtain: Borrower's CPA or may be prepared by management.

When we need it: Upon loan application.

Invoices

A formal invoice from a vendor, on the vendor's letterhead.

Purpose: To make payments to vendors or proof that borrower has paid for invoice, which is marked paid by vendor.

Where to obtain: From the vendor.

When we need it: As soon as the invoice is provided to the borrower.

IRS Identification No.

A letter issued by the IRS office, with the corporation's Tax ID No.

Purpose: To confirm that the corporation is registered.

Where to obtain: Any IRS office.

When we need it: As soon as the letter is issued.

Land Lease

Lease agreement between land owner and building occupant.

Purpose: Certain rights are transferred to the building occupant via the lease agreement.

Where to obtain: Borrower should have in business files or may obtain from future landlord.

When we need it: Upon loan application.

Landlord Waiver

When the borrower is a tenant, a landlord waiver must be executed by the landlord, relinquishing their rights to the collateral.

Purpose: To ensure that the lender can access and or retrieve the collateral in the event that the borrower defaults on the loan.

Where to obtain: Lender to provide waiver and borrower to obtain signatures.

When we need it: Prior to closing.

Lease

A copy of the commercial lease agreement between the borrower and the landlord.

Purpose: Lender uses the lease to check the term of the lease and verify that it is as long as the term of the proposed loan and to document the rent payment, which is used to determine cash flow.

Where to obtain: Borrower should have in business files or may obtain from future landlord.

When we need it: As soon as the landlord provides it or the attorney prepares it.

Letter of Intent and Deposit

A letter from the franchise approving the borrower as a potential franchisee.

Purpose: Provides proof to the lender that the borrower has been approved by the franchise.

Where to obtain: From the franchisor.

When we need it: Upon loan application.

Lien Waiver

A waiver against a lien filed by a contractor, subcontractor, material men, etc. Such liens attach to the land and improvements erected thereon.

Purpose: To secure priority of lien position by lender in the property where the work is performed.

Where to obtain: Contractor to provide.

When we need it: Prior to closing.

Life Insurance

Life insurance for each personal guarantor will be taken as collateral on a loan. Each guarantor must obtain an original life insurance policy and request an assignment of life insurance policy by signing and recording a collateral form at the office of the insurance company and then forwarding the recorded form to the lender.

Purpose: Upon the death of the insured the assignment would ensure payments on the loan.

Where to obtain: Insurance company.

When we need it: Prior to closing.

Limited Partnership Agreement

An entity where one or more persons with unlimited liability (general partners) manage the partnership, while one or more persons only contribute capital (limited partners). Limited partners have no right to participate in the management and operation of the business and they assume no liability beyond the capital contributed.

Purpose: To confirm the legal name of the partnership and check the ownership status.

Where to obtain: Borrower's attorney.

When we need it: When received filed from the Secretary of State.

List of Corporate Officers

A list of the corporate officers on corporate letterhead.

Purpose: To identify the individuals of a corporation and their proper titles.

Where to obtain: Borrower to prepare.

When we need it: Upon loan application.

Liquor License

A license that allows the borrower/business to sell liquor.

Purpose: The lender needs proof that the liquor license is in force.

Where to obtain: Proper governmental authorities.

When we need it: As soon as received.

Loan Request Form

The loan request form is in the SBA loan application package provided by the Business Development Officer.

Purpose: The loan request form provides the lender with information such as the borrower's attorney and CPA contact info, etc. and is used as supporting information when making a decision regarding the loan application.

Where to obtain: SBA loan application package.

When we need it: Upon loan application.

Management Resume

Purpose: This form informs the lender about the borrower's educational and career background.

Where to obtain: SBA loan application package.

When we need it: Upon loan application.

M&E, F&F List

A full description of the machinery, equipment, furniture and fixtures the borrower is planning to purchase or the lender is taking as collateral. The list should include the model number and price.

Purpose: Helps the lender determine if the equipment purchased is normally used in the business and how the business will benefit from this equipment, confirms prices against similar types of equipment and assists in determining its value.

Where to obtain: Borrower to make list from invoices or take a manual inventory.

When we need it: Prior to closing.

Notes Payable (Debt Schedule)

A listing of all loans reflected on the company's balance sheet, including any officer's loans. If there is more than one business, lender must see a notes payable schedule for each company. If there is no debt, the lender needs a signed and dated notes payable schedule on which the debt amount is indicated as "none".

Purpose: The notes payable schedule allows the lender to analyze the borrower's current monthly debt and cash flow requirements in light of the loan being requested. In the case of a refinance request, it allows the lender to prove eligibility for refinance to the SBA. Also in the case of a refinance request, the borrower must provide a copy of the note to be refinanced.

Where to obtain: Schedule is located in the SBA loan application package.

When we need it: Upon loan application.

Operating Company

A lease between the owner of the real property and the operating company.

Purpose: To show that the operating company or business is leasing 100% of the property.

Where to obtain: Borrower or borrower's counsel to prepare.

When we need it: Prior to closing.

Partnership Agreement (or Articles of Partnership)

The written agreement between the partners which outlines each partner's rights in and obligations to the partnership.

Purpose: The lender uses this document to determine who are the general and limited partners (if any), who can sign legal documents, the limits of each partner's financial obligations, how profits and losses are allocated, how the partnership can be dissolved, the purpose of the partnership and the correct legal name.

Where to obtain: Borrower's attorney.

When we need it: Upon loan application.

Payoff Letters

A payoff letter is needed when loan is for an acquisition or refinance.

Purpose: To confirm the exact amount owed to seller and/or to pay off the bank holding the current note.

Where to obtain: From mortgagee holding the current note. Letter to include interest per day.

When we need: One week prior to closing.

Permits, Approvals, Licenses

Issued by the municipalities as approval for type of business to be conducted on the site, also by building department for construction, renovations, additions, etc.

Purpose: To confirm the business can lawfully operate and the building/construction has been authorized by the appropriate party.

Where to obtain: From the city, county or municipality.

When we need: Prior to first disbursement of loan proceeds and before construction begins.

Personal Financial Statement

The borrower's personal balance sheet – a listing of the assets, liabilities and net worth of the borrower. The lender needs a signed and dated personal financial statement for each owner/principal owning a 20% or more share of the business and for any individuals personally guaranteeing the loan.

Purpose: By detailing the borrower's personal liquidity (cash/savings) and leverage (debt/obligations), a personal financial statement allows the lender to assess the borrower's personal financial condition.

Where to obtain: SBA loan application package.

When we need it: Upon loan application. Financial Statements must be dated within 90 days of application.

Performance Bond

A contractor's bond which guarantees that the contractor will perform the contract and providing that in the event of a default, the surety may complete the contract or pay damages up to the bond limit.

Purpose: To insure the completion of construction.

Where to obtain: Insurance company.

When we need it: Prior to first disbursement of loan proceeds and before construction begins.

Personal Income/Expense Analysis

A listing of all the borrower's sources of personal income and personal expenses. The income information should be taken from the borrower's personal tax returns and the expense items should be taken from the borrower's personal records such as a checkbook log, historical personal tax returns and the supporting documents for the tax return.

Purpose: Tells the lender how much money the borrower will need from the business to pay personal expenses. Also allows the lender to track discretionary income.

Where to obtain: SBA loan application package.

When we need it: Upon loan application.

Personal Tax Returns

Complete tax returns with original signatures filed with the IRS for the borrower personally. Three years (including any extensions) is required.

Purpose: Required by the lender and the SBA to determine income requirements and to locate possible affiliate companies for eligibility purposes.

Where to obtain: Borrower's CPA or self-prepared.

When we need it: Upon loan application.

Phase 1/Environmental Risk Assessment Report

An environmental assessment of the collateral which sites any potential environmental risks that may affect the collateral.

Purpose: Gives written assurances to the lender that the collateral is free from environmental problems.

Where to obtain: Lender will contract with a company to prepare report.

When we need it: Prior to closing.

Plans and Specs

All drawings necessary to a construction project, including the subcontractors' drawings. Written, detailed drawings which show a contractor how to proceed with construction, whether in new construction or remodeling.

Purpose: Confirms the complete scope of the project.

Where to obtain: Architect to provide.

When we need it: Prior to first disbursement of loan proceeds and before construction begins.

Projections

A written estimate of future (expected) revenues, expenses and profits for the business. For a company already in business, projections should be based on present data or trends recognizable in the business. One year of projections broken out monthly including narrative support is required.

Purpose: Allows lender to determine/estimate the future ability of the business to repay debt.

Where to obtain: Borrower to prepare.

When we need it: Upon loan application.

Real Estate Purchase Agreement

A written agreement executed between the seller and buyer (borrower) in which the buyer agrees to buy certain real estate and the seller agrees to sell upon the terms of the agreement.

Purpose: Sets forth the purchase price, legal address and other pertinent information used to prepare closing documents.

Where to obtain: Real estate broker, business broker, attorney or other third party.

When we need it: Upon loan application.

Real Property Hazard Insurance

Lender must be named as mortgagee/loss payee when real estate is taken as collateral.

Purpose: Allows lender to ensure that the collateral is protected against hazards.

Where to obtain: Borrower to contact insurance agent to request insurance certificate for lender. Also, borrower to provide name, address and phone number of homeowners insurance agent to lender.

When we need it: Prior to closing.

Senior Lien Holder Mortgage/Deed of Trust (recorded copy)

Any mortgages recorded prior to the lender's position.

Purpose: Allows lender to see what is actually filed with the public records.

Where to obtain: County clerk's office.

When we need it: To be ordered with title commitment.

Site Analysis

Description of the property to be financed, which includes street address, size and price of the lot, seller name, county, city, zoning, description of adjacent properties and properties across the street, names of nearest major highways and photographs.

Purpose: Tells the lender where the property is located, if the neighboring businesses can potentially increase or reduce business, how much competition is in the local area, if the property is in a desirable area, highly visible, traveled, and suitable for the borrower's business.

Where to obtain: Borrower to prepare.

When we need it: Upon loan application.

Site Visit

The Business Development Officer must make a site visit to the place or proposed place of business prior to closing.

Purpose: To confirm the existence of the business and/or location.

Where to obtain: The BDO will set up an appointment with the borrower to view the place of business.

When we need it: Prior to closing.

Standby Promissory Note

A note held by someone that will be subordinate to the lender note.

Purpose: Document file and used to create the SBA form 155, (standby agreement).

Where to obtain: From note holder.

When we need it: One week prior to closing.

Stock Certificates

Certificates issued to stockholders of the corporation.

Purpose: Identifies all of the stockholders of the corporation.

Where to obtain: From the corporate book provided by the Secretary of State.

When we need it: One week prior to closing.

Subordination Agreement

Legal documents used to make a claim of one party junior to a claim in favor of another party.

Purpose: Generally used to grant first lien status to a lien holder.

Where to obtain: From lender.

When we need it: Prior to closing.

Tri-Party Agreement

An agreement that makes the interim construction lender, the permanent lender and the borrower aware of the terms and conditions of the loan.

Purpose: Confirms the commitment between the interim lender, the permanent lender and the borrower to the completion of the loan project.

Where to obtain: Interim or permanent lender to provide in triplicate to all parties for execution.

When we need it: Before construction begins.

UCC (Uniform Commercial Code)

A code (law) that regulates the transfer of personal property and taking personal property as collateral.

Purpose: To provide notice of the lender's interest in personal property such as furniture, fixtures, equipment, inventory and accounts receivable as collateral.

Where to obtain: Lender to provide to borrower for execution. Lender will then file with the county or State.

When we need it: Before lender sends request to the SBA.

Utility Service Commitments

Letter from a utility company agreeing to provide services such as gas and electric to a new location.

Purpose: Assures lender that utilities are available to the site.

Where to obtain: Contractor or borrower must obtain from the utility company, then provide to the lender.

When we need it: Before construction begins.