

Business Development Fund of Texas SBA504 Loan Application

Equal Opportunity
Lender

Business Profile

Is the following business the: Borrower, Operating Company

Legal Business Name: _____

Address/City/State/Zip Code: _____

Nature of Business _____

Taxpayer ID: _____

Telephone Number: _____

Business Structure:

- Sole Proprietor
 Partnership
 Corporation
 Sub-S Corp.
 Other (explain) _____

Time as Current Owner: _____ Prior 12 mo sales \$ _____ Number New Employees to be created in 2 years _____
 Net Income \$ _____ Number Existing Employees _____

***NOTE: This type loan requires that you occupy at least 51% of an existing building and/or 60% of a new facility.**

Street Address of Project: _____ City: _____ County: _____ State: ___ Zip: _____

Present address if different: _____ City: _____ County: _____ State: ___ Zip: _____

Project Information

Land Acquisition _____ \$ _____
 New Construction/Expansion/Repair _____ \$ _____
 Acquisition of Existing Facility _____ \$ _____
 Acquisition and/or Repair of Machinery _____ \$ _____
 Professional Fees _____ \$ _____
 All Other (Contingencies and Interim Interest) _____ \$ _____
 Total Project Amount \$ _____

(List ALL Principals, Owners, and Guarantors who will be obligated on this credit. Attach additional sheets as needed)

Will this individual be a:

Borrower, Co-Borrower, or Guarantor

Will this individual be a:

Borrower, Co-Borrower, or Guarantor

Name _____

Name _____

Title _____ %Ownership _____

Title _____ %Ownership _____

Home Address _____

Home Address _____

Place of Birth _____ SS# _____

Place of Birth _____ SS# _____

Date of Birth _____

Date of Birth _____

Miscellaneous

Are any taxes owed for years prior to current year? If yes, by whom Yes No
If Yes, by Whom? Borrower Co-Borrower Guarantor (Please Attach Explanation)

Do any of the parties involved in this credit request act as an endorser, guarantor, maker or co-maker for any other obligations? Yes No
If Yes, Who? Borrower Co-Borrower Guarantor (Please Attach Explanation)

Have any of the parties involved in the credit request ever been involved in any bankruptcy proceedings? Yes No
If Yes, Who? Borrower Co-Borrower Guarantor (Please Attach Explanation)

Are there any pending law suits or outstanding judgments against any of the parties involved in this credit request? Yes No
If Yes, Who? Borrower Co-Borrower Guarantor (Please Attach Explanation)

Have any of the parties been arrested or convicted on any criminal offense other than a minor vehicle violation, or presently under indictment, parole or probation?
 Yes No
If Yes, Who? Borrower Co-Borrower Guarantor (Please Attach Explanation)

Authorization to Release Information

I/We hereby authorize the release to Business Development Fund of Texas (BDFT), any information they may require at any time, for any purpose related to my/our credit transactions with BDFT.

I/We further authorize BDFT to release said information to any entity they deem necessary for any purpose related to my/our credit transaction with them.

I/We hereby certify that the enclosed information, including any attachments or exhibits provided by me/us herein or at a later date is valid and correct.

Individual Date Name of Corporation, Partnership, etc.

Individual Date By

**BUSINESS DEVELOPMENT FUND OF TEXAS
SBA 504 LOAN DISCLOSURES**

The following disclosures are given for the permanent financing provided by Business Development Fund of Texas (The“CDC”) under the SBA 504 Loan Program.

The private sector lender should be consulted for the terms and conditions of their portion of the permanent financing. Effective October 1996, the lender will pay a .5% fee to SBA based on the amount of their first mortgage.

- (1) **Loan Fees.** The following loan fees (2.15%) will be paid by the Borrower for the CDC portion of the 504 loan, all of which can be financed by the CDC loan. The CDC Attorney fee will be paid at closing of the 504 loan and refunded when the loan is funded.
 - a. CDC Processing Fee - 1.5% of the net debenture proceeds
 - b. Funding Fee - .25% of the net debenture proceeds
 - c. SBA Guaranty Fee - .50% of the net debenture proceeds
 - d. CDC Attorney’s Fees - not to exceed \$3,500 for a SBA 504 loan above \$150,000 and \$3,000 for a SBA 504 loan under \$150,000.
 - e. Underwriting fee - .4% of the subtotal of the other fees and deposits.

- (2) **Servicing Fees.** The following servicing fees will be paid by the Borrower on the unpaid balance of the CDC loan, such unpaid balance, to be determined at 5 year intervals at the beginning of such interval. The monthly CDC/SBA note payment amount reported to the Borrower will include these fees as part of the monthly payment.
 - a. CDC Servicing - 0.625% per annum
 - b. CSA Servicing - 0.10% per annum
 - c. Borrower Guaranty fee 0.9375% per annum.

- (3) **Closing Costs.** As in all forms of financing, there will be interim and permanent loan closing costs associated with the SBA 504 loan. These include title premiums, escrow fees, recording costs, survey costs, attorney’s fees (borrowers and lenders), tax certificates, copies and miscellaneous closing costs. The CDC’s attorney’s fees are payable at closing and reimbursed to the borrower once the 504 loan is funded.

- (4) **Late Charge.** A charge of \$100 or 5% of the late amount, whichever is greater, will be charged the Borrower in the event a payment is received after the 15th day of the month in which the payment is due.

- (5) **Automatic Debit.** The SBA requires a payment program whereby the Borrower’s CDC loan payments are automatically debited each month from the Borrower’s bank account.

- (6) **CDC Authority.** While the CDC is responsible for the preparation of the loan application sent to the SBA, all loan conditions are set by the SBA and any changes to the loan conditions require SBA approval submitted through the CDC.

- (7) **Miscellaneous Loan Terms.** The closing documents for the CDC loan are likely to contain the following provisions:
 - a. Prior SBA approval required for:
 - i. The reorganization, merger, consolidation or change of ownership of the business of the Borrower;
 - ii. The sale or further encumbrance of the collateral;
 - b. The requirement for life insurance, hazard insurance and (if needed) flood insurance;
 - c. The requirement for annual financial statements to be submitted by the Borrower.

- (8) **Prepayment.** The CDC loan is pre-payable on the following terms and conditions.
 - a. Ability to Prepay the CDC loan - The CDC loan is totally pre-payable on a payment date upon 45 days written notice to the CDC. However, the CDC may not be partially prepaid at any time.
 - b. Prepayment Amount - The amount required to prepay the CDC loan is equal to the aggregate of the outstanding principal balance, interest to the prepayment date (including accrued servicing fees), expenses (including those related to the care and preservation of collateral), late charges and any prepayment premium.

c. Prepayment Premium - A prepayment premium will be paid calculated with the following formula:

$$PP = PB (I \times F)$$

”PP” means Prepayment Premium

“PB” means the remaining Principal Balance

“I” means the Interest stated on the face of the debenture expressed in decimal points;

“F” means the Factor set forth below:

Year	20 Year	10 Year
	Loan: F	Loan: F
1	1.0	1.0
2	0.9	0.8
3	0.8	0.6
4	0.7	0.4
5	0.6	0.2
6	0.5	0.0
7	0.4	0.0
8	0.3	0.0
9	0.2	0.0
10	0.1	0.0
11 and thereafter	0.0	0.0

(9) **Assumption Fee.** A fee of 1% of the outstanding principal balance of the loan may be charged by the CDC if the loan is assumed by another borrowing entity.

(10) **Deposit.** A good-faith deposit of \$2,500 will be collected prior to processing the loan application. A Balance of 1% of the net debenture (with credit given for the deposit) will be considered earned and payable when the Debenture Authorization is issued by SBA. All payments collected prior to loan funding will be applied toward the debenture closing costs and not considered additional fees. The CDC Processing Fee is 1.5 percent of the net debenture (see paragraph 1, Loan Fees).

A. Before SBA Loan Approval (Loan Authorization not yet issued):

- (1) If borrower withdraws the loan request (for any reason), the good-faith deposit will be refunded (less costs incurred with the minimum charge of \$500.)
- (2) If SBA declines the loan request, the good-faith deposit will be refunded (less costs incurred with the minimum charge of \$500.)

B. After SBA Loan Approval (Loan Authorization has been issued):

If Borrower withdraws the loan request, CDC will retain the good-faith deposit. Further, 1% of the net debenture is still considered earned by the CDC, due and payable by the borrower/applicant.

I have read the above SBA 504 Loan Disclosures given to me by the CDC, consisting of this page and one prior page, and I understand them.

Name _____ Date _____

Name _____ Date _____