



U. S. SMALL BUSINESS ADMINISTRATION
550 WEST C STREET, SUITE 550
SAN DIEGO, CA 92101-3500
PHONE: (619) 557-7250 FAX: (619) 557-5894
www.sba.gov

SBA LOAN INQUIRY

Dear Prospective Borrower:

Thank you for your inquiry concerning SBA loan programs. SBA guarantees loans made by commercial banks and SBA certified non-bank lenders. To apply at a bank, we suggest that you accumulate the information listed on the back of this letter and present it first to your bank of account. If your bank of account cannot assist you, we suggest that you contact one or more of the lenders listed on the enclosure. The contact people shown are all well versed in SBA requirements.

Our credit underwriting requirements are;

1. You must have a reasonable investment in your business. Usually 30% to 50% of the total project cost for new business ventures and business acquisitions. The percentage varies according to the degree of risk involved.
2. You must establish that you have or can obtain the necessary knowledge, experience and/or technical expertise to operate and manage a business profitably.
3. You must establish the viability and marketability of your product and/or services. Be able to identify your market and how you plan to sell successfully to that market.
4. You must establish the ability to repay the loan and provide required owner compensation from the profits of the business.
5. You must provide collateral sufficient to protect the interest of the Government. Normally, loans will not be declined solely because of lack of collateral if the other four factors described above are favorable.

Perhaps more importantly, SBA has management assistance resources available, which can assist you in developing plans for your business project. The Small Business Development Center (SBDC) Program provides free business advice, assistance in preparing a business plan, counseling on financial requirements and other important elements of starting a business. Our other management assistance resource is the Service Corps of Retired Executives (SCORE) Program. SCORE is a volunteer group of active and retired men and women who provide free management counseling to small business owners/managers and to those who are considering starting a business of their own. You may arrange for an appointment with the SBDCs or SCORE by contacting them directly (see contact information below). The SBDCs and SCORE also provide a wide variety of workshops, training seminars and business assistance publications at nominal costs.

Southwestern College (SBDITC)
Small Business Development and International Trade Center
900 Otay Lakes Road, Bldg. 1600
Chula Vista, CA 91910
(619) 482-6391
www.sbditc.org

Imperial Valley Satellite SBDC
301 North Imperial Avenue, Suite B
El Centro, CA 92243
(760) 312-9800
www.ivsbdc.ca.gov

Mira Costa College – North San Diego SBDC
1823 Mission Avenue
Oceanside, CA 92054
(760) 795-8740.
www.sandiegosmallbiz.com

SCORE – Counselors to America's Small Business
550 West C Street, Suite 550
San Diego, CA 92101-3500
(619) 557-7272
www.score-sandiego.org

Women's Business Center of California (WBCC)
4121 Camino Del Rio South, #24
San Diego, CA 92108
(619) 563-7118
www.wbcc.natuniv.edu

Sincerely,

Al Converse
Chief, Finance Division

YOUR LOAN PROPOSAL

This checklist represents the minimum information a lender needs to process your application. There may be additional items required at some point by your lender or the local SBA office but completion of this package will enable the lender to proceed. **Lenders cite the lack of complete information as the main reason for delays in processing SBA loan applications.** By carefully providing all this information, you will assure prompt processing of your request.

The following is an example of the minimum loan application package that you need to provide:

- Resume, current personal financial statement and copies of personal Federal Income tax returns from anyone with 20% or more ownership in the business, and from key managers.
- A narrative statement describing the history of the business.
- Provide a description of the use of loan proceeds and the fixed assets to be acquired.
- Provide business financial statements (balance sheet and profit and loss statement) for the current year (dated within the last 60 days) and the previous three years, or, the number of years in business if less than three years. Financial statements must include a schedule of debt and an aging of accounts receivable and accounts payable.
- Copies of the previous three years business Federal Income Tax returns, or, whatever years in business if less than three years.
- For a new business venture, provide a projection of sales and expenses for the first twelve months of business and a narrative explanation of how the projection will be accomplished.
- Legal documents:

For Corporation: Copy of Articles of Incorporation

For Partnership: Copy of Partnership Agreement

For Proprietorship: Copy of Fictitious Name Statement