

LAKE COUNTY
SMALL BUSINESS ASSISTANCE CORPORATION (CDC)

Guidelines for the Application of an SBA 504 Loan

- A bank must be an SBA approved lender and agree to the SBA 504 loan assistance.
- The bank or the client may contact the CDC to discuss the appropriateness of the project to the program.
- The CDC may be contacted by the client or the bank for project payment (P&I) information for forecasting purposes.
- Once a lender has decided that they are going forward with the project subject to the SBA 504 Loan Program, the CDC should be contacted and a meeting scheduled with the bank and client/applicant to discuss the project.
- At the meeting with the applicant and the bank, a checklist of required items for the SBA loan package will be discussed. Most of the items have already been prepared by the client for the bank application and may be duplicated and given to the CDC. The CDC will have certain forms that will be required in addition to the bank information, and they will be provided at that meeting. The bank will be required to provide the CDC with the loan officer's analysis and credit bureau reports on the clients.
- When a **complete** set of the required documents for the SBA 504 loan application is received, the loan will be packaged and a meeting will take place to review and approve the application. This process usually takes two weeks. After the meeting, the documents are sent the same day to the SBA for final approval.

A non-refundable application fee of \$300 will be charged and applied to the closing costs at loan closing.

- The applicant is required to attend the review meeting that usually takes place on a Tuesday or Thursday morning. The bank loan officer may also attend.
- When the SBA approves the loan, they will issue an authorization that will be reviewed by the bank, the CDC and the client for correctness. This will then be accepted and signed by the applicant. Copies will be given to the bank. The bank will then be able to start to fund the project.
- Upon completion of the project, the SBA will close their loan, payoff their portion that the bank funded, and provide the applicant with the payment information.

CDC CONTACT INFORMATION

Allen Weaver
Lake County Small Business Assistance Corporation
391 W. Washington Street
Painesville, OH 44077
440-357-2290 x29
440-357-2296 (fax)
allenweaver@LCEDC.org