



SBA 504 APPLICATION GUIDE

APPLICATION TIPS

- Include Dakota Business Lending as early in the process as possible
- Review the Dakota Business Lending disclosure statement fully
- Complete the 6 page application as fully as possible
- Be sure to provide a COMPLETE list of possible affiliates with necessary supporting financials to avoid additional information requests
- Provide as much of the checklist information up-front as possible
- Be sure spouses sign the Form 413—Personal Financial Statement
- US SBA/Dakota Business Lending as intended user on the appraisal
- Well written detailed assumptions and business plan when needed
- Complete cost documents that add up to the requested project amount as soon as possible
- Provide the original 912 and 1244C forms to the Dakota Business Lending
- Be sure that any 20% or more owners and required guarantors provide the necessary documents pertaining to individuals
 - 912, 1244C, financial statements (tax returns & PFS), credit authorization, Driver’s License, 4506T, and Resume

COMMON “GOTCHA’S”

- **Form 1244C Page 7 and 912—Statement of Personal History**
 - Identify violations early to allow for pre-approval time
 - Number of violations is very important for fingerprint requirements
 - Missing or incorrectly completed fields
 - Legibility of handwriting
- **Environmental Reports**
 - NAICS code match
 - Above or underground storage tanks
 - Surprises in historical use
 - Any of the above on neighboring properties
- **Franchise/Dealer/Supplier Agreements**
 - Identify any agreements prior to application
- **Expiring Documents**
 - Age of documents pertains to time of SBA submission
 - Business financials (120 days)
 - PFS, 912, 1244C & 4506T (90 days)
 - Refinanced loan payment history (30 days)
 - Appraisal & Environmental reports (1 year)
- **Do-it-yourself Construction**—requires 1 DIY bid & 2 competitive bids & current contractor license

TIMELINE & EXPECTATIONS

Approximate timeline for standard projects.

Loans > \$1mm and complex projects may require additional processing and underwriting days.

Borrower responsibility

Dakota Business Lending responsibility

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
MONTH 1		1 App submitted	2 Package review—Missing Items/Corrections		4 MIL response		6
	7	8 MIL response			11 App processing		13
	14	15 Underwriting			18 UW questions response		20
	21	22 Underwriting		24 CM review & revisions		26 Submit to LRC	27
MONTH 2	28	29	30	1 LRC	2 SBA submission prep & submission		4
	5	6 SBA approval or screenout					11

TITLE INSURANCE PROCESS & TIPS

- When placing your initial order with the title company, inform them that Dakota Business Lending is involved and that an additional title commitment is required. SBA requires an extended ALTA policy with standard exceptions removed and water, mineral, location and removal of arbitration endorsements.
- Provide estimated amount of the 504 portion of the transaction to title company: calculate the 504 amount and add an additional 10% to ensure proper 504 title coverage.
- The lender should receive the following items from the title company:
 - Title Commitment or policy for the benefit of the lender's portion
 - Title Commitment for the benefit of the Dakota Business Lending's 504 portion
 - One invoice reflecting 2 premium amounts and a search fee
- Provide a copy of both Title Commitments (504 and lender) to Dakota Business Lending.
- Inform title company of any changes to the amounts of the mortgages prior to closing to ensure that the correct amount of premium is being collected.
- Collect all fees associated with the invoice from title company at the closing of the 1st lien. The borrower is responsible for paying all title and search costs associated with 504—so it is easier to collect from the borrower at the same time the lender title is paid.
 - The lender will be responsible for collecting/paying any amounts that were disclosed by title company but not collected at the closing of the 1st lien.
- Immediately notify title company, that the 1st lien has been closed so the loan policy can be issued.
- Dakota Business Lending will notify the title company when the 2nd lien is closed and get the final policy issued for our portion.

You may work with any title company that you choose. If you are using ND Guaranty & Title, please let us know. A fillable PDF title order form is available for download from our website www.dakotabusinesslending.com or can be emailed to you.

TITLE COMMITMENT ORDER FORM

Date Needed: _____

THIRD PARTY LENDER INFO

Primary Lender: _____

Contact Name, Phone, Email: _____

Primary Lender Title File #: _____
(if previously submitted)

PROJECT / PROPERTY INFO

Buyer/Borrower: _____

Property Address: _____

Legal Description: _____

City, State, Zip: _____

Operating Company: _____

Estimated 504 Mortgage Policy: _____
(504\$ x 110%)

DAKOTA BUSINESS LENDING CONTACT INFO

Loan Officers

- _____ Steve Dusek, sdusek@dakotabusinesslending.com, 701-361-1911
- _____ Emily Schroeder, eschroeder@dakotabusinesslending.com, 701-364-1912
- _____ Roxi Pfliiger, rpfliiger@dakotabusinesslending.com, 701-364-0197
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