



**Borger, Inc., the Borger Economic Development Corporation**  
**COVID-19 Small Business Recovery Program**

### About the Program

The **COVID-19 Small Business Recovery Program** is a small business incentive program that assists owners of small businesses in Borger, Texas with basic operating expenses during the COVID-19 pandemic. The program is intended to help sustain the Borger economy by addressing immediate economic injuries sustained by local businesses due to COVID-19 and help small businesses avoid defaulting on their obligations while they experience loss of revenue and free cash flow that would have ordinarily allowed them to cover fixed expenses. The maximum term of assistance is three (3) months. The maximum amount of assistance per business is \$25,000, limited to actual expenses approved by the Board of Directors. The needs, merits, and eligibility of every application will be evaluated individually; therefore, no applicant is guaranteed the maximum amount of assistance.

Each business recipient will be required to commit to resuming its normal business, including rehiring employees to pre-crisis levels, within two (2) years. Businesses (and individual owners of those businesses) that do not meet this performance obligation will be required to repay the funds to Borger, Inc.

Every application will be considered on a case-by-case basis. Individual businesses, as well as their majority owners, will be evaluated for creditworthiness, solvency, sustained economic injury, and other factors deemed appropriate by Borger, Inc., the Borger Economic Development Corporation.

This program is our response to an urgent economic need and is therefore still taking shape. As we monitor COVID-19 and the effects on our local economy, this application and our scoring criteria will be updated to reflect any necessary changes we determine are appropriate.

### Objectives:

1. To help sustain and stabilize the Borger economy during the COVID-19 crisis and enable its recovery;
2. To minimize irreversible economic damage and permanent business closures due to temporary, severe economic hardships placed on local businesses through necessary public health orders and mandatory short-term limits to operations, including short-term closures;
3. To incentivize the retention of small businesses themselves, as well as jobs at those businesses, by providing financial assistance and incentivizing the retention or re-hiring of employees post-COVID-19;
4. To provide economic relief to small businesses as “bridge assistance” until funds are received by local small businesses from the Small Business Administration’s Paycheck Protection Program (“PPP”) or Economic Injury Disaster Loan (“EIDL”) program.

## Qualifications:

In order to have its application reviewed, a business must:

- Have had a minimum of one (1) and a maximum of fifty (50) full-time employee equivalents as of February 15, 2020. Businesses without any FTEs must make a commitment to hire at least one (1) FTE within two (2) years.
- Prove economic injury due to COVID-19.
  - Current revenue will be compared to last-year-same-period revenue (year-over-year comparison).
  - A current balance sheet will be reviewed and compared to a December 31, 2019 balance sheet.
- Demonstrate solvency prior to COVID-19.
  - December 31, 2019 balance sheet will be reviewed.
  - Certified Profit & Loss (Income Statement) for 2019 will be reviewed.
  - Most recent tax return showing business income will be reviewed.
- Not be past due on any local property tax, sales, tax or Federal taxes.
- Have all business property insured and provide proof of insurance.
- Have applied to the SBA's PPP or EIDL program, or will apply within 30 days' of Borger, Inc.'s approval.
- The deadline to apply to this program is: December 30, 2020

## Eligible Expenses

Expenses eligible for assistance/reimbursement will be those deemed essential to keep the business from permanently closing as a result of COVID-19. All expenses must be reported on the application and approved prior to signing the agreement. No expenses can be added after the application is approved.

### *Allowable Expenses*

- Business property rent expense
- Note payments to lenders for business property (such as business mortgage payments)
- Necessary utilities (Electricity, Gas, Water/Sewer/Trash)
- Property & casualty insurance premiums

### *Expenses Subject to Special Review*

- Payroll (essential personnel only)
- Payments to lenders for essential business equipment
- Other expenses deemed essential by review of the Borger, Inc. Board of Directors

### *Unallowed Expenses*

- Owner's draws or owner's compensation
- Personal expenses of business owner or employees, even those previously paid for by business
- Employee benefit payments
- Donations/gifts
- Other expenses or business services deemed non-essential by the Borger, Inc. Board of Directors

## How Do I Apply?

### Step 1: Pre- Application Meeting

A pre-application meeting is **required**. Meetings may be conducted via teleconference.

- a. Contact Katie Lingor ([klingor@borgeredc.com](mailto:klingor@borgeredc.com) or 806-521-0027) to schedule a pre-application meeting.
- b. At the meeting discuss questions on application and review required supplemental documents.
- c. At the meeting discuss the expectation to apply to the SBA for the Paycheck Protection Program or for an Economic Injury Disaster Loan.
- d. At the meeting discuss the timeline for review by the Borger, Inc. Board of Directors and subsequently funding guidelines and procedures.

### Step 2: Submit Application

Submit a complete application to Borger, Inc. as early as possible. Applications may be submitted in person, at the Borger, Inc. office located at 1111 Penn Street or by mail to Borger, Inc. Attn: Katie Lingor, P.O. Box 1157, Borger, TX 79008. **A complete application contains the following:**

- a. A completed application form (Pages 4-7 of this packet)
- b. Current sales (revenue) reports year-over-year (Example: April & May 2020 vs. April & May 2019)
  - i. We must be able to determine from these reports that you have sustained economic injury (loss of revenue) due to COVID-19
  - ii. **Please note: As of April 28, 2020** - any business with more than six (6) months' worth of operating expenses in reserves must show a minimum 25% decline in revenue year-over-year to be eligible for assistance
- c. Current Balance Sheet
- d. Balance Sheet as of December 31, 2019
- e. Profit & Loss (Income Statement) for 2019
- f. Most recent three (3) months' business bank statements
- g. Most recent tax return showing business income (or a written explanation if not available)
- h. Personal financial statement (SBA Form 413) – Form enclosed; or, most recent personal tax return for business owner(s)
- i. Current (less than 12 months old) credit report for the business owner
- j. Proof of insurance for all business property
- k. Current property tax statement showing no delinquent taxes for the property

## How are Applications Evaluated?

Completed applications will be scored by the Borger, Inc. Board of Directors based on the following:

- a. Extent of proven economic injury (loss of revenue) – has the business experienced a major or minor decline in revenue?
- b. Solvency of business prior to COVID-19 – was the business in a strong financial position prior to COVID-19, or was it already a going concern?
- c. Level of need for assistance – does the business or business owner (personally) have small cash reserves incapable of sustaining the business through six (6) months or more, or large cash reserves more than capable of sustaining the business for an extended period of time?
- d. Other areas as deemed necessary and appropriate by the Borger, Inc. Board of Directors – this program is our response to an urgent economic need and is still taking shape. This application and our scoring criteria are subject to change at any time, with or without notice.

# COVID-19 Small Business Recovery Program Application

Date Received:

Case Contact:

Business Name

Tax I.D.

Business Mailing Address

Business Physical Address

Business Owner(s) Name(s)

Telephone

Email

How long in business?

Organization Type? (LLC, Sole  
Proprietor, Corporation,  
Partnership)

# of Full-Time Employees  
(As of February 15, 2020)

# of Part-Time Employees  
(As of February 15, 2020)

*Please list requested expenses below along with the estimated monthly amount, name of payee/provider for each bill, and the amount of your most recent bill. Please refer to Page 2 for eligible expenses.*

## EXAMPLE –

Example Expense: Electric Bill Estimated Monthly: \$186.00

Name of Payee (Provider/Vendor): Xcel Energy Amount of Last Bill: \$173.62

Expense #1: Estimated Monthly: \$

Name of Payee (Provider/Vendor): Amount of Last Bill: \$

Expense #2: Estimated Monthly: \$

Name of Payee (Provider/Vendor): Amount of Last Bill: \$

Expense #3: Estimated Monthly: \$

Name of Payee (Provider/Vendor): Amount of Last Bill: \$

**Expense #4:** \_\_\_\_\_ **Estimated Monthly:** \$ \_\_\_\_\_

**Name of Payee (Provider/Vendor):** \_\_\_\_\_ **Amount of Last Bill:** \$ \_\_\_\_\_

**Expense #5:** \_\_\_\_\_ **Estimated Monthly:** \$ \_\_\_\_\_

**Name of Payee (Provider/Vendor):** \_\_\_\_\_ **Amount of Last Bill:** \$ \_\_\_\_\_

**Expense #6:** \_\_\_\_\_ **Estimated Monthly:** \$ \_\_\_\_\_

**Name of Payee (Provider/Vendor):** \_\_\_\_\_ **Amount of Last Bill:** \$ \_\_\_\_\_

**Expense #7:** \_\_\_\_\_ **Estimated Monthly:** \$ \_\_\_\_\_

**Name of Payee (Provider/Vendor):** \_\_\_\_\_ **Amount of Last Bill:** \$ \_\_\_\_\_

**Expense #8:** \_\_\_\_\_ **Estimated Monthly:** \$ \_\_\_\_\_

**Name of Payee (Provider/Vendor):** \_\_\_\_\_ **Amount of Last Bill:** \$ \_\_\_\_\_

**Expense #9:** \_\_\_\_\_ **Estimated Monthly:** \$ \_\_\_\_\_

**Name of Payee (Provider/Vendor):** \_\_\_\_\_ **Amount of Last Bill:** \$ \_\_\_\_\_

**Expense #10:** \_\_\_\_\_ **Estimated Monthly:** \$ \_\_\_\_\_

**Name of Payee (Provider/Vendor):** \_\_\_\_\_ **Amount of Last Bill:** \$ \_\_\_\_\_

**TOTAL OF ALL MONTHLY ESTIMATED EXPENSES** \_\_\_\_\_ **\$** \_\_\_\_\_

**As of the date of this application, please list the value of liquid assets available to the business:**

**\$** \_\_\_\_\_ **Business checking/operating accounts**

**\$** \_\_\_\_\_ **Business money market/retained earnings accounts**

**\$** \_\_\_\_\_ **Business owner(s) personal checking accounts**

**\$** \_\_\_\_\_ **Business owners(s) personal savings accounts**

**\$** \_\_\_\_\_ **Non-retirement Stocks/CDs/ETFs/Mutual Funds**

**\$** \_\_\_\_\_ **Other liquid assets (Petty cash/other cash on hand, cryptocurrencies, etc.)**

**\$** \_\_\_\_\_ **TOTAL LIQUID ASSETS AVAILABLE TO BUSINESS/BUSINESS OWNER(S)**

**Has the business applied for and/or received any other grants, insurance proceeds, loans, etc.**

**for COVID-10 assistance? Please list:** \_\_\_\_\_

\_\_\_\_\_

Regardless of their physical location, please list all other businesses related to, affiliated with, or that share common ownership to the business applying for assistance. Please also list the estimated number of full-time and part-time employees at each business on February 15, 2020:

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What is the current status of your business? Choose One:    Closed by government mandate  
   Closed by owner decision (Closed out of caution or lack of business)  
                         Open and operating with limitations      Open and operating without limitations

What efforts, if any, has the business made to mitigate its loss of revenue? (Example: Offering to-go/takeout meals, online shopping, online classes, etc.)

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#### CHECKLIST FOR COMPLETE APPLICATION

**\*Applications missing any information or documentation will be rejected until complete. \***

- \_\_\_\_\_ This completed COVID-19 Small Business Recovery Program Application form
- \_\_\_\_\_ Current sales (revenue) reports year-over-year
  - Example: February & March 2020 vs. February & March 2019)
- \_\_\_\_\_ Current Balance Sheet
- \_\_\_\_\_ Balance Sheet as of December 31, 2019
- \_\_\_\_\_ Profit & Loss (Income Statement) for 2019
- \_\_\_\_\_ Most recent three (3) months' business bank statements
- \_\_\_\_\_ Most recent tax return showing business income (or a written explanation if not available)
- \_\_\_\_\_ Personal financial statement (SBA Form 413 enclosed); or, most recent personal tax return for majority business owner(s)
- \_\_\_\_\_ Current (less than 12 months old) credit report from either: Equifax, Experian, or TransUnion
  - Can obtain at <https://www.annualcreditreport.com/>
- \_\_\_\_\_ Proof of insurance for all business property
- \_\_\_\_\_ Current property tax statement showing no delinquent taxes for the property.
  - Can be obtained online at <http://hutchinsoncountytax.com/>
- \_\_\_\_\_ A copy of completed application to the SBA's PPP and/or EIDL program
  - If not complete at time of application, must be completed within thirty (30) days of approval of your application

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### Certification

I hereby certify that all information contained herein, including any supplemental documentation submitted as part of this application, is true and correct. I understand that if I am found to have provided false or inaccurate information as part of this application, I/my business(es) may be immediately disqualified from consideration; additionally, I/my business will be required to immediately, within five (5) days, return any funds disbursed to me by Borger, Inc., the Borger Economic Development Corporation, from the COVID-19 Small Business Recovery Program fund.

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Applicant Signature

Printed Name, Title

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Business Name

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### Acknowledgements

Please initial next to each statement, showing that you acknowledge and accept these disclosures and program guidelines.

\_\_\_\_\_ I acknowledge that the application and program guidelines are subject to change and that Borger, Inc. may require additional financial and/or other documentation to evaluate my application. If I decide not to respond to or comply with these subsequent requests, I acknowledge that my application may be considered incomplete and rejected from further consideration.

\_\_\_\_\_ I acknowledge and agree that as a condition to receive incentives from the COVID-19 Small Business Assistance Program, I am required to also apply to the SBA's PPP or EIDL program ("Loan Programs"). I understand that if I do not complete my/my business' application to the SBA's Loan Programs program within thirty (30) days of this application's approval, Borger, Inc. may terminate any and all agreements with me/my business and discontinue providing any incentives or assistance to me/my business.

\_\_\_\_\_ I acknowledge that the COVID-19 Small Business Recovery Program is not guaranteed for any specific amount of time. I acknowledge that if Borger, Inc. determines there is no longer a COVID-19 disaster or immediate need for emergency assistance, Borger, Inc. may terminate our agreement prior to the three (3) month period.

\_\_\_\_\_ I acknowledge that the only expenses that will be considered for assistance are those expenses that I have submitted as part of this application, and that Borger, Inc. may, in its sole discretion, choose which expenses meet the program guidelines and qualify for assistance. I understand that I will not be able to submit additional expenses for consideration or assistance once my application is approved.

\_\_\_\_\_ As an applicant and/or recipient of assistance from this program, I agree to refrain from making deliberate statements that intend to harm Borger, Inc.'s reputation without factual evidence or based on hearsay. I understand that spreading inaccurate and unfounded information about Borger, Inc., this program, or decisions by the Board of Directors or staff could be grounds for Borger, Inc. to terminate any agreement between myself/my business and Borger, Inc., the Borger Economic Development Corporation.



**PERSONAL FINANCIAL STATEMENT**  
**7(a) / 504 LOANS AND SURETY BONDS**

U.S. SMALL BUSINESS ADMINISTRATION

As of \_\_\_\_\_, \_\_\_\_\_

SBA uses the information required by this Form 413 as one of a number of data sources in analyzing the repayment ability and creditworthiness of an application for an SBA guaranteed 7(a) or 504 loan or a guaranteed surety.

Complete this form for: (1) each proprietor; (2) general partner; (3) managing member of a limited liability company (LLC); (4) each owner of 20% or more of the equity of the Applicant (including the assets of the owner's spouse and any minor children); and (5) any person providing a guaranty on the loan

**Return completed form to:**

**For 7(a) loans:** the lender processing the application for SBA guaranty

**For 504 loans:** the Certified Development Company (CDC) processing the application for SBA guaranty

**For Surety Bonds:** the Surety Company or Agent processing the application for surety bond guaranty

Name	Business Phone
Home Address	Home Phone
City, State, & Zip Code	

**Business Name of Applicant**

ASSETS	(Omit Cents)	LIABILITIES	(Omit Cents)
Cash on Hand & in banks.....	\$ _____	Accounts Payable.....	\$ _____
Savings Accounts.....	\$ _____	Notes Payable to Banks and Others.....	\$ _____
IRA or Other Retirement Account.....	\$ _____	(Describe in Section 2)	
(Describe in Section 5)		Installment Account (Auto).....	\$ _____
Accounts & Notes Receivable.....	\$ _____	Mo. Payments \$ _____	
(Describe in Section 5)		Installment Account (Other).....	\$ _____
Life Insurance – Cash Surrender Value Only.....	\$ _____	Mo. Payments \$ _____	
(Describe in Section 8)		Loan(s) Against Life Insurance.....	\$ _____
Stocks and Bonds.....	\$ _____	Mortgages on Real Estate.....	\$ _____
(Describe in Section 3)		(Describe in Section 4)	
Real Estate.....	\$ _____	Unpaid Taxes.....	\$ _____
(Describe in Section 4)		(Describe in Section 6)	
Automobiles.....	\$ _____	Other Liabilities.....	\$ _____
(Describe in Section 5, and include		(Describe in Section 7)	
Year/Make/Model)		Total Liabilities.....	\$ _____
Other Personal Property.....	\$ _____	Net Worth.....	\$ _____
(Describe in Section 5)			
Other Assets.....	\$ _____		
(Describe in Section 5)			
<b>Total Assets</b>	<b>\$ _____</b>	<b>Total Liabilities &amp; Net Worth</b>	<b>\$ _____</b>
		<b>*Must equal total in assets column.</b>	

<b>Section 1. Source of Income.</b>	<b>Contingent Liabilities</b>
Salary.....	As Endorser or Co-Maker.....
Net Investment Income.....	Legal Claims & Judgments.....
Real Estate Income.....	Provision for Federal Income Tax.....
Other Income (Describe below)*.....	Other Special Debt.....

**Description of Other Income in Section 1.**


\*Alimony or child support payments should not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.



<b>Section 2. Notes Payable to Banks and Others.</b> (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)					
Names and Addresses of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral
<b>Section 3. Stocks and Bonds.</b> (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)					
Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value
<b>Section 4. Real Estate Owned.</b> (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)					
	Property A	Property B	Property C		
Type of Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)					
Address					
Date Purchased					
Original Cost					
Present Market Value					
Name & Address of Mortgage Holder					
Mortgage Account Number					
Mortgage Balance					
Amount of Payment per Month/Year					
Status of Mortgage					
<b>Section 5. Other Personal Property and Other Assets.</b> (Describe, and, if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and, if delinquent, describe delinquency.)					
<b>Section 6. Unpaid Taxes.</b> (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)					
<b>Section 7. Other Liabilities.</b> (Describe in detail.)					

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**Section 8. Life Insurance Held.** (Give face amount and cash surrender value of policies – name of insurance company and Beneficiaries.)

I authorize the SBA/Lender/Surety Company to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness.

**CERTIFICATION:** (to be completed by each person submitting the information requested on this form)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that SBA or its participating Lenders or Certified Development Companies or Surety Companies will rely on this information when making decisions regarding an application for a loan or a surety bond. I further certify that I have read the attached statements required by law and executive order.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Print Name \_\_\_\_\_

Social Security No. \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Print Name \_\_\_\_\_

Social Security No. \_\_\_\_\_

**NOTICE TO LOAN AND SURETY BOND APPLICANTS: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:**

Knowingly making a false statement on this form is a violation of Federal law and could result in criminal prosecution, significant civil penalties, and a denial of your loan or surety bond application. A false statement is punishable under 18 U.S.C. §§ 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. § 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally-insured institution, a false statement is punishable under 18 U.S.C. § 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000. Additionally, false statements can lead to treble damages and civil penalties under the False Claims Act, 31 U.S.C. § 3729, and other administrative remedies including suspension and debarment.

PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance officer, paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. PLEASE DO NOT SEND FORMS TO OMB.

**PLEASE READ, DETACH, AND RETAIN FOR YOUR RECORDS**  
**STATEMENTS REQUIRED BY LAW AND EXECUTIVE ORDER**

SBA is required to withhold or limit financial assistance, to impose special conditions on approved loans, to provide special notices to applicants or borrowers and to require special reports and data from borrowers in order to comply with legislation passed by the Congress and Executive Orders issued by the President and by the provisions of various inter-agency agreements. SBA has issued regulations and procedures that implement these laws and executive orders. These are contained in Parts 112, 113, and 117 of Title 13 of the Code of Federal Regulations and in Standard Operating Procedures.

**Privacy Act (5 U.S.C. 552a)**

Any person can request to see or get copies of any personal information that SBA has in his or her file when that file is retrieved by individual identifiers such as name or social security numbers. Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act.

Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. Disclosures of name and other personal identifiers are, however, required for a benefit, as SBA requires an individual seeking assistance from SBA to provide it with sufficient information for it to make a character determination. In determining whether an individual is of good character, SBA considers the person's integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act ( the Act). Further, for all forms of assistance, SBA is authorized to make all investigations necessary to ensure that a person has not engaged in acts that violate or will violate the Act or the Small Business Investment Act, 15 USC Sections 634(b)(11) and 687(b)(a), respectively. For these purposes, you are asked to voluntarily provide your social security number to assist SBA in making a character determination and to distinguish you from other individuals with the same or similar name or other personal identifier.

The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's investigative files system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks; only to the extent the information is relevant to the requesting agencies' function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses.

**Right to Financial Privacy Act of 1978 (12 U.S.C. 3401)** -- This is notice to you as required by the Right to Financial Privacy Act of 1978, of SBA's access rights to financial records held by financial institutions that are or have been doing business with you or your business, including any financial institutions participating in a loan or loan guaranty. The law provides that SBA shall have a right of access to your financial records in connection with its consideration or administration of assistance to you in the form of a Government guaranteed loan. SBA is required to provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records, after which no further certification is required for subsequent accesses. The law also provides that SBA's access rights continue for the term of any approved loan guaranty agreement. No further notice to you of SBA's access rights is required during the term of any such agreement. The law also authorizes SBA to transfer to another Government authority any financial records included in a application for a loan, or concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

**Freedom of Information Act (5 U.S.C. 552)**

This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

**Flood Disaster Protection Act (42 U.S.C. 4011)** -- Regulations have been issued by the Federal Insurance Administration (FIA) and by SBA implementing this Act and its amendments. These regulations prohibit SBA from making certain loans in an FIA designated floodplain unless Federal Flood insurance is purchased as a condition of the loan. Failure to maintain the required level of flood insurance makes the applicant ineligible for any financial assistance from SBA, including disaster assistance.

**Executive Orders -- Floodplain Management and Wetland Protection (42 F.R. 26951 and 42 F.R. 26961)** -- SBA discourages settlement in or development of a floodplain or a wetland. This statement is to notify all SBA loan applicants that such actions are hazardous to both life and property and should be avoided. The additional cost of flood preventive construction must be considered in addition to the possible loss of all assets and investments due to a future flood.

**Occupational Safety and Health Act (15 U.S.C. 651 et seq.)** -- This legislation authorizes the Occupational Safety and Health Administration in the Department of Labor to require businesses to modify facilities and procedures to protect employees or pay penalty fees. Businesses can be forced to cease operations or be prevented from starting operations in a new facility. Therefore, SBA may require additional information from an applicant to determine whether the business will be in compliance with OSHA regulations and allowed to operate its facility after the loan is approved and disbursed. Signing this form as an applicant is certification that the OSHA requirements that apply to the applicant business have been determined and that the applicant, to the best of its knowledge, is in compliance. Furthermore, applicant certifies that it will remain in compliance during the life of the loan.

**Civil Rights Legislation** -- All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. This includes making their goods and services available to handicapped clients or customers. All business borrowers will be required to display the "Equal Employment Opportunity Poster" prescribed by SBA.

**Equal Credit Opportunity Act (15 U.S.C. 1691)** -- The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

**Executive Order 11738 -- Environmental Protection (38 F.R. 251621)** -- The Executive Order charges SBA with administering its loan programs in a manner that will result in effective enforcement of the Clean Air Act, the Federal Water Pollution Act and other environment protection legislation.

**Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles)** -- These laws require SBA to collect aggressively any loan payments which become delinquent. SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may take one or more of the following actions: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice or other attorneys for litigation, or (6) foreclose on collateral or take other action permitted in the loan instruments.

**Immigration Reform and Control Act of 1986 (Pub. L. 99-603)** -- If you are an alien who was in this country illegally since before January 1, 1982, you may have been granted lawful temporary resident status by the United States Immigration and Naturalization Service pursuant to the Immigration Reform and Control Act of 1986. For five years from the date you are granted such status, you are not eligible for financial assistance from the SBA in the form of a loan guaranty under Section 7(a) of the Small Business Act unless you are disabled or a Cuban or Haitian entrant. When you sign this document, you are making the certification that the Immigration Reform and Control Act of 1986 does not apply to you, or if it does apply, more than five years have elapsed since you have been granted lawful temporary resident status pursuant to such 1986 legislation.

**Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 et seq.)**

Borrowers using SBA funds for the construction or rehabilitation of a residential structure are prohibited from using lead-based paint (as defined in SBA regulations) on all interior surfaces, whether accessible or not, and exterior surfaces, such as stairs, decks, porches, railings, windows and doors, which are readily accessible to children under 7 years of age. A "residential structure" is any home, apartment, hotel, motel, orphanage, boarding school, dormitory, day care center, extended care facility, college or other school housing, hospital, group practice or community facility and all other residential or institutional structures where persons reside.

**Executive Order 12549, Debarment and Suspension 2 CFR 2700**

1. The borrower or contractor certifies, by submission of its application for an SBA loan or bond guarantee, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participants shall attach an explanation to the application.