



504 LOAN PROCESS GUIDE

How Long Does an SBA 504 Loan Take?

Wyoming Capital Access is here to walk small business borrowers and lenders through the SBA 504 program. A large portion of the required information & documentation is also needed by the lead bank. With a borrower's approval, the bank and WCA can share documentation to reduce the time spent with paperwork. This reference provides step-by-step instructions from the initial application phase through the funding of the 504 Loan.

The SBA 504 Loan Program is geared towards fixed asset financing. Real estate and equipment (affixed to the operating company's premises) are the primary uses of funds.

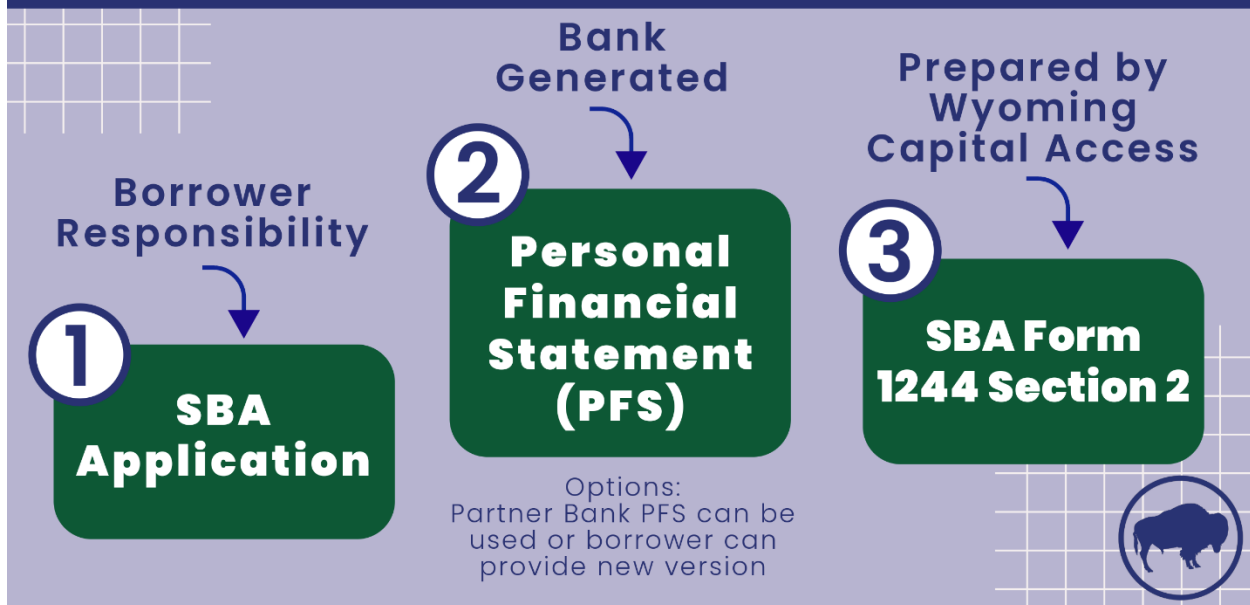
From application to SBA approval, assuming that all the documentation is prepared correctly and received in a timely manner, it is anticipated to take as little as **three weeks**. WCA will send regular status updates throughout the process.

STEP ONE: Application

Being prepared with a thorough application and the required documentation ensures a faster approval process. The following checklist provides a brief overview with links to required application documents for underwriting purposes. While each loan is different, and additional documentation may be required, this list contains the items necessary to complete the application package. Our underwriting process takes as little as **one week**.



SBA APPLICATION FORMS



- ☐ Application – visit wyomingcapitalaccess.gatewayportal.com to access our online application.
 - General business information, use of funds, eligibility certifications, personal owner(s) information, and a credit check authorization.
- ☐ [SBA Form 1244 Section Two.](#)
 - Based upon responses from the application Wyoming Capital Access will prepare this form and seek the borrower signature(s).
- ☐ [Personal Financial Statement](#) (*current within 60 days*).
 - WCA will transpose a borrower's bank-generated Personal Financial Statement and obtain the borrower's signature.
- ☐ Bank Credit Memo and/or Business Plan (*if applicable*).
 - A business plan is required when there is less than two years of historical performance.
 - A banker's credit memo ensures a faster process time.
- ☐ Three years of business tax returns and financial statements, when applicable.
- ☐ Three years of personal tax returns for each owner of the small business.
- ☐ Signed and current (within 90 days) financial statements for the small business including aging of AR and AP.
- ☐ Two years of projections, with year 1 presented month by month (*if the business has less than 2 years of performance or historical cash flow is insufficient for proposed use of funds*).

- ☐ Two years of tax returns for any business affiliated by ownership or management (*if applicable*).
- ☐ Cost Documents (bids, invoices, purchase agreements, settlement statement, etc.). Self-construction projects are subject to SBA rules and regulations for uses of funds and profitability.
- ☐ Franchise Agreement (*if applicable*).
- ☐ Surveys or Improvement Location Certificates are required for ground up construction and may be required if there are property boundary concerns.
- ☐ Business organizational documents – vary by business entity type.
 - i.e. Articles of Organization, Bylaws, Certificate of Good Standing, Operating Agreement.

STEP TWO: Loan Committee Approval

Once the complete loan package is assembled, the loan will be presented to the Wyoming Capital Access Credit Committee, typically in **two business days**. Upon approval by the Credit Committee the following documents will be prepared and sent out for review and signatures.

- ☐ Bank Commitment Letter
 - WCA has a template for the bank.
- ☐ [SBA Form 1244 Section Three](#)
 - WCA can prepare this for the borrower and seek signature(s).

STEP THREE: SBA Approval

Upon receipt of the signed documents listed in step two, the loan package will be submitted to the SBA for review and approval. This review typically takes **one week**. Upon approval, the SBA will issue a “Terms and Conditions for Debenture Guaranty” which allows the *bank to fund the purchase of the property and the borrower to begin operations*.

- ☐ Real Estate Appraisal
 - Required if the project exceeds \$500,000.
 - Multiple appraisal methods must be used.
 - Must be complete and submitted to SBA within 1 year of appraisal date.
 - States the purchase price.
 - SBA and WCA must be intended users of the appraisal.
 - States the percentage of owner occupancy.
 - States the remaining useful life or remaining economic life of the property.
- ☐ Environmental Review
 - Records Search with Risk Assessment
 - If the company’s NAICS Code is environmentally sensitive, at minimum, a Phase I is triggered and an SBA Reliance Letter is required. See [List](#).

- [Environmental Companies List](#)
- Request for Transcript of Tax Return and Consent Form - [IRS Form 4506C](#)
 - WCA will prepare this for the borrower seek signature(s).

STEP FOUR: SBA Loan Closing

WCA will prepare a closing needs list for the bank and borrower. Each loan is unique, so each closing needs list varies by project. Once all conditions outlined in SBA's "Terms and Conditions for Debenture Guaranty" have been met, a closing and site visit can be scheduled. WCA closes its portion of the long-term takeout financing for a construction loan once the construction is completed. Updated and signed financials are required (within 90 days), along with insurance requirements.

STEP FIVE: SBA Loan Funding

Loan closing to funding typically takes 10 to 12 weeks. During this time, the security instruments are filed, and title policy is issued. The debenture pricing for the month is published and shared with the lender and borrower. The borrower's monthly payment is made via ACH. The bank's exposure is reduced upon funding.

STEP 6: Servicing

Each year following the funding of the 504 Loan, WCA will request business tax returns and insurance information.