

**VIRGINIA SMALL BUSINESS FINANCING AUTHORITY  
SSBCI CASH COLLATERAL PROGRAM (CCP)  
LENDER'S APPLICATION**

Lender: \_\_\_\_\_ EIN: \_\_\_\_\_  
Contact \_\_\_\_\_  
Title: \_\_\_\_\_ E-mail Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip \_\_\_\_\_  
Telephone Office: \_\_\_\_\_ Mobile: \_\_\_\_\_ FAX: \_\_\_\_\_

**We request VSBFA provide cash collateral for the following loan:**

Borrower's Name: \_\_\_\_\_ EIN: \_\_\_\_\_  
Total Amount of Lender's Loan: \$ \_\_\_\_\_  
Cash Collateral Requested from VSBFA: \$ \_\_\_\_\_ # of Years Cash Collateral will be needed: \_\_\_\_\_

*Note: Cash collateral support amount shall not exceed forty percent (40%) of the loan amount or \$500,000, whichever is less. The term of cash collateral support shall not exceed five (5) years for term loans or three (3) years for lines of credit.*

**The following must be completed and submitted to VSBFA:**

1. Lenders Application
2. Borrower's Agreement and Application
3. Lender's Internal Credit Memo to include:
  - a. Financial, Profitability and Repayment Analysis, including ratios, trends, and Industry Standards (e.g.: RMA Comparables)
  - b) Collateral Analysis, including lien position and adequacy.
  - c) Lender's experience with the borrower, including Strengths and Weaknesses.
4. If the loan involves an eligible passive company (EPC), a copy of the executed lease between the EPC and the operating company (OC).
5. Any other documents that may be required.
6. Application fee of \$200

**Application Fee:** Lender shall pay a VSBFA fee of \$200.00 for each Loan application submitted under the CCP.

**Collateral Support Fee:**

- For those loans less than \$150,000 there is no fee.
- For loans with a maturity one year or less the fee is 0.5% for non-veteran owned businesses and .25% for veteran- owned businesses.
- For loans with a maturity greater than one year the fee is 1.5% for non-veteran owned businesses and .75% for veteran-owned businesses.

***Veteran Qualifications***

In order to qualify for the fees identified in this Notice, businesses must be 51% or more owned and controlled by an individual or individuals in one or more of the following groups:

- Veterans (other than dishonorably discharged);
- Service-Disabled Veterans;

- Active Duty Military service member participating in the military's Transition Assistance Program (TAP);
- Reservists and National Guard Members; or
- Current spouse of any Veteran, Active Duty service member, or any Reservist or National Guard member; or widowed spouse of a service member who died while in service or of a service-connected disability.

Lenders must document in their loan file the borrower's eligibility using the documentation identified below and must present copies of that documentation with any claim on the cash collateral.

***Veteran Documentation Requirements:***

1. **Veteran:** Copy of Form DD 214, which is provided for other than dishonorably discharged veterans.
2. **Service-Disabled Veteran:** Copy of Form DD 214 or documentation from the DVA that the veteran has been determined as having a service-connected disability.
3. **Transitioning Active Duty Military Member:** DD Form 2, "U.S. Armed Forces Identification Card (Active)," or DD Form 2, "Armed Forces of the United States Geneva Conventions Identification Card (Active)" and, DD Form 2648 (Active Duty Military member) or DD Form 2648-1 (Reserve Component member ).
4. **Reservists and National Guard:** DD Form 2, Armed Forces of the United States Identification Card (Reserve).
5. **Current Spouse of Veteran:** The veteran's Form DD 214 and evidence of status as a current spouse.
6. **Current Spouse of Transitioning Active Duty Military Member or Current Reservist/National Guard Member:** DD Form 1173, Department of Defense Guard Reserve Family Member Identification Card and evidence of status as the current spouse.
7. **Widow of Active Duty Service Member who died in service or Widowed Spouse of Veteran who died of a service connected disability:** Documentation from DOD or from DVA clearly showing this to be the case.

***Alternatives:***

In the event that the veteran's DD 214 is unavailable, a "Certification of Military Service" (NA Form 13038) is an acceptable equivalent.

For any category listed above that requires a photocopy of a military ID, as an alternative to photocopying the military ID, the service member may provide a "statement of service" signed by, or by the direction of, the adjutant, personnel office, or commander of the unit or higher headquarters they are attached to. There is no one unique form used by the military for a statement of service. While statements of service are typically on military letterhead, some may be computer-generated. The statement of service must clearly show:

1. The Service member's full name;
2. The Service member's Social Security Number (SSN) or the last 4 digits of SSN;
3. The entry date on active duty or the entry date of applicant's Reserve/Guard duty, as applicable (depending on whether the applicant is on active duty or is a current member of the Reserves or National Guard);
4. The duration of lost time, if any (for active duty); and
5. The name of the command providing the information.

Note for Current Reserve/Guard Members: The statement must clearly indicate that the applicant is an "active" reservist and not just in a control group (inactive status).

## LENDER'S CERTIFICATION

I certify to the VSBFA that the loan represented by this Lender's Application is approved subject to terms specified. Without VSBFA's participation, as requested, we would not be willing to make this loan, and in our opinion the financial assistance requested is not otherwise available on reasonable terms. I have reviewed and verified all of the information in the Borrower's loan application, Borrower's Certification and the documentation supporting this Application. I certify, to the extent of my knowledge that the borrower is eligible (for the purposes of this program), the proceeds will be used for an eligible purpose in Virginia and the owners and managers of the borrower business are of good character.

This Assurance is referenced by Section 3005(e)(7) of the Small Business Jobs Act of 2010.

Legal name of lender:

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The Lender hereby certifies to the Participating State the following:

1. The loan has not been made in order to place under the protection of the approved state program prior debt that is not covered under the approved state program and that is or was owed by the borrower to the lender or to an affiliate of the lender.
2. The loan is not a refinancing of a loan previously made to that borrower by the lender or an affiliate of the lender.
3. The lender is not attempting to enroll any portion of an SBA-guaranteed loan.

Additionally, Lender certifies that the loan has not been made in order to:

- i. Eliminate the bank's requirement for collateral or the principal's personal guaranty, or
- ii. Finance passive real estate investment, purchase of residential housing, real estate construction or development, or
- iii. Refinance a Lender's existing debt, except that if there is additional debt added to the refinance amount, the additional principal is eligible for CCP, or
- iv. Repay a delinquent federal or state income taxes unless the Borrower has a payment plan in place with the relevant taxing authority; or repay taxes held in trust or escrow, e.g. payroll or sales taxes; or
- v. Reimburse funds owed to any owner, including any equity injection or injection of capital for the business' continuance; or
- vi. To purchase any portion of the ownership interest in the Borrower; or to purchase any portion of the ownership interest in any company, including 100% interest; or
- vii. To purchase goodwill, or
- viii. To provide financing to a religious establishment unless the proceeds of the loan are used only for a "business purpose." A "business purpose" does not include an explicitly religious purpose, and the proceeds of the loan to a religious establishment may not be used for the purposes of supporting, assisting, or furthering an explicitly religious purpose, including, but not limited to, worship, religious instruction, or proselytization.

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Certifying Officer Signature

Title

Date