



U.S. Small Business Administration

504 DEBENTURE CLOSING CHECKLIST

A. 504 Loan and Debenture Information

1. SBA Loan #

2. SBA Loan Name

3. Borrower

4. Operating
Company

5. CDC Name and
Number

6. Debenture
Amount

7. Debenture
Term:
☐ 10 yrs
☐ 20 yrs
☐ 25 yrs

8. Priority CDC?

☐ Yes

☐ No

☐ Priority CDC not using designated attorney

Dates:

9. Date of this Checklist:

10. Authorization for Debenture Guarantee (SBA 504 Loan)
expiration date:

11. Date loan file ordered from Sacramento Loan Processing Center
(SLPC):

B. CDC Contact Names

E-mail

Phone

Fax

CDC:

CDC Counsel:

Designated Attorney ☐ Yes
☐ No

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C.	Document Name	CDC	SBA
1.	CDC Board Resolution (SBA Form 1528)		
2.	Note (CDC/504 Loans) (SBA Form 1505)		
3.	Development Company 504 Debenture (SBA Form 1504)		
4.	Servicing Agent Agreement (SBA Form 1506)		
5.	CDC Certification (SBA Form 2101)		
6.	Opinion of CDC Counsel (Appendix D to the 504 Authorization Boilerplate)		
7.	Evidence of lien priority on real and personal property collateral:		
	Title insurance		
	UCC search		
8.	Construction documents		
	Certificate of Occupancy		
	Evidence of compliance with seismic standards		
	Notice of Completion filed, if applicable, with county recorder		
9.	Unconditional Guarantee (SBA Form 148 or 148L)		
10.	Lien instrument on Project Property		
11.	Assignment of lien instrument on Project Property		
12.	Security agreement and UCCs for Project Property		
	Assignment of security agreement for Project Property		
13.	Secondary collateral:		
	Lien instrument for real property		
	Assignment of lien instrument for real property		
	Security agreement		

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C.	Document Name	CDC	SBA
	Assignment of security agreement		
	Other		

INSTRUCTIONS

These Instructions advise Certified Development Companies (CDCs) how to complete the standard 504 Debenture Closing Checklist. CDCs and the U.S. Small Business Administration (SBA) must use this checklist for all 504 debenture closings.

General Instructions:

1. CDCs must submit a copy of this Checklist with copies of closing package in the order set forth on the Checklist.
2. CDCs using a Designated Attorney must submit only the first 8 documents on the Checklist for SBA review.
3. CDCs not using a designated attorney must submit copies of all 13 documents on the Checklist for SBA review.
4. In the column labeled "CDC," the CDC must check off each document the CDC has submitted in the closing package attached to this Checklist. SBA will check the column labeled "SBA" when reviewing the debenture closing package.
5. After debenture sale, CDC must prepare a collateral file containing all the original documents along with copies of the Servicing Agent Agreement and Debenture listed on the Checklist sent with the closing package, and use a copy of the Checklist as the collateral listing. Immediately after the debenture sale, SBA will transfer the loan file to the Commercial Loan Servicing Center (CLSC) to which the loan is assigned (either the Fresno CLSC or the Little Rock CLSC). Immediately after the CDC has received and compiled all final collateral documents, it must send to the appropriate CLSC the complete set of these documents. The CDC may send multiple post-closing packages to the CLSC if necessary, but the CDC must send the first set of documents by no later than 30 days after the debenture sale date. Consult "Lender and Development Company Loan Programs" SOP 50 10, for complete instructions and guidance on the CDC's responsibilities after debenture sale.

Specific Instructions on Completing Checklist:

- A. Information Grid: CDC must fill out all spaces in the information grid at the top of the Checklist. The information will come from the Authorization for Debenture Guarantee (Authorization) or modifications to the Authorization from the time of approval to the time of debenture closing. At debenture closing, SBA checks the SBA loan name, Borrower and Operating Company name, loan amount, and loan number in its database to ensure this information matches the closing documents and the Authorization. If the information is inconsistent, the CDC must request an appropriate modification to the Authorization. SBA's Central Servicing Agent also checks the SBA loan name and debenture amount in SBA's database and will require changes if inconsistencies exist. If the Authorization will expire before the debenture sale date, the CDC must request an extension of the Authorization past the applicable debenture sale date and notify SBA in writing so SBA can enter the extension into SBA's database.
 1. SBA Loan #: Must be the same as on the Authorization. This number never changes after loan approval.

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2. SBA Loan Name: Must be the same as on the Authorization. The SBA loan name may change after approval if the names of the Borrower or Operating Company change after loan approval and before debenture closing. The SBA loan name is the first available name from the following list:
 - a. The “dba” name or trade name of the Operating Company
 - b. The name of the Operating Company
 - c. The “dba” name or trade name of the Borrower
 - d. The name of the BorrowerIf there is more than one Borrower or Operating Company, the SBA loan name is the first Borrower or Operating Company listed.
3. Borrower: Insert all Borrower names. The Borrower name is the name at the time of closing and as it appears on the loan and debenture closing documents. If the Borrower name has changed from what is stated in the Authorization, the CDC must notify SBA in writing and modify the Authorization before debenture closing so that SBA can enter the change into its database.
4. Operating Company: If the loan is to an Eligible Passive Company (EPC), insert all Operating Company names, regardless of whether they are Co-Borrowers or Guarantors. This must be the Operating Company name at the time of debenture closing and as it appears on the loan and debenture closing documents. If the Operating Company name has changed from what is stated in the Authorization, the CDC must notify SBA in writing and modify the Authorization before debenture closing so that SBA can enter the change into its database.
5. CDC: Insert the name and CDC number of the CDC closing and servicing the loan.
6. Debenture Amount: Insert the debenture amount. This must be the debenture amount at the time of debenture closing and as it appears on the loan and debenture closing documents. If the debenture amount has changed from what is stated on the Authorization at time of loan approval, the CDC must notify SBA in writing and modify the Authorization before debenture closing so that SBA can enter the change into its database. SBA must have reviewed and approved any increases in the debenture amount, and allocated the additional funding to the debenture, before the CDC submits the debenture closing package to SBA.
7. Debenture Term: Check off the term of the debenture, either 10, 20, or 25 years.
8. Priority CDC: Mark the appropriate block.
9. Date of this Checklist: Insert the date that the CDC completes the Checklist.
10. Authorization for Debenture Guarantee Expiration Date: Insert the date the Authorization will expire, based on the original approval date and any approved extensions. That date must not pass before the debenture sale date.
11. Date Loan File Ordered from SLPC: Insert the date the CDC requested that the Sacramento Loan Processing Center send the file to the district office for debenture closing.

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- B. CDC Contact Names: Insert the name, e-mail address, phone number and fax number for the CDC employee and CDC counsel responsible for debenture closing and completing the Checklist, and who can answer questions about the debenture closing documents. Check block indicating whether or not Counsel is a Designated Attorney.
- C. Closing Documents: This is the list of documents SBA reviews to determine whether SBA may guarantee the debenture and approve the debenture sale to fund the 504 loan. The Checklist is not intended to include all the items the CDC will need to properly close the 504 loan and the debenture. The CDC must close the 504 loan in accordance with all 504 Loan Program Requirements, which include all requirements imposed upon CDC by statute, SBA regulations, any agreements between CDC and SBA, SBA SOPs, official SBA notices and forms applicable to the 504 loan program, the Debenture, and the Authorization.