**LOAN AUTHORIZATION AND AGREEMENT (LA&A)**

***A PROPERLY SIGNED DOCUMENT IS REQUIRED***

***PRIOR TO ANY DISBURSEMENT***

**CAREFULLY READ THE LA&A:**

This document describes the terms and conditions of your loan. It is your responsibility to comply with ALL the terms and conditions of your loan.

Contact your Case Manager immediately if you: discover any errors or omissions; or if you have any questions.

**SIGNING THE LA&A:**

All borrowers must sign the LA&A.

* Signyour name *exactly* as it appears on the LA&A. If typed incorrectly, you should sign with the correct spelling.
* If your middle initial appears on the signature line, sign with your middle initial.
* If a suffix appears on the signature line, such as Sr. or Jr., sign with your suffix.
* Do not sign as a Power of Attorney unless the information concerning the Power of Attorney (or Attorney-in-Fact) is printed on the signature lines of the LA&A.
* Corporate Signatories: Authorized representatives should sign the signature page, and affix the corporate seal if you have one.

*Your signature represents your agreement to comply*

*with the terms and conditions of the loan.*

**RETURN THE LA&A TO SBA:**

Mail the signed, original LA&A to SBA at the address below. You may keep the copy marked as ***“Borrower’s Copy”*** for your records.

U.S. Small Business Administration

Processing and Disbursement Center

14925 Kingsport Road

Fort Worth, TX 76155

**U.S. Small Business Administration**

Unsecured Home Disaster Loan

**LOAN AUTHORIZATION AND AGREEMENT**

Date: <<Loan\_Obligated\_Date>>

On the above date, this Administration (SBA) authorized (under Section 7(b) of the Small Business Act, as amended) a Loan (Loan Number <<Loan\_Name>>) to <<Apex\_BorrowerNames\_Name>> (Borrower) of <<Contact\_FullMailingAddress>> in the amount of **!Syntax Error, <** ($<<Loan\_Loan\_Amount>>) Dollars upon the following conditions:

1. PAYMENT TERMS
   1. Interest will accrue at the rate of <<Loan\_Interest\_Rate>> % per annum; installment payments, including principal and interest, of **!Syntax Error, <** ($<<Loan\_Payment\_Amount>>) Dollars <<Loan\_Payment\_Frequency>>, will begin **!Syntax Error, <**(<<Loan\_Months\_Deferred>>) months from the date of the promissory Note. The balance of principal and interest will be payable **!Syntax Error, <** (**!Syntax Error, <**) years from the date of the promissory Note.
   2. Each payment will be applied first to interest accrued to the date of receipt of each payment, and the balance, if any, will be applied to principal.
   3. Each payment will be made when due even if at that time the full amount of the Loan has not yet been advanced or the authorized amount of the Loan has been reduced.
   4. Interest will accrue only on funds actually advanced from the date(s) of each advance.

<<PARA\_UP>>. USE OF LOAN PROCEEDS

Borrower will use the proceeds of this Loan solely to rehabilitate or replace property of Borrower, damaged or destroyed by disaster occurring in the month of <<Disaster\_Date>>. Borrower will apply all Loan proceeds to the following specific uses:

<<PARA\_REQ\_UP>>. REQUIREMENTS FOR USE OF LOAN PROCEEDS AND RECEIPTS

A. Borrower will obtain and itemize receipts (paid receipts, paid invoices or cancelled checks) and contracts for all Loan funds spent and retain these receipts for 3 years from the date of the final disbursement. Prior to each subsequent disbursement (if any) and whenever requested by SBA, Borrower will submit to SBA such itemization together with copies of the receipts.

B. Borrower will make the damaged, repaired or replacement property(ies) available to SBA for inspection and verification of the use of Loan proceeds when so requested.

C. Borrower will return to SBA, as soon as possible but not later than 1 year from the date of final disbursement, all funds received but not used for disaster repairs as authorized by the above paragraph. Funds so returned will be used to reduce the outstanding balance of this Loan and will not be applied in lieu of scheduled payments.

D. Borrower will not use any proceeds of this Loan to pay wages or any other compensation for repair work performed by Borrower or members of Borrower's immediate family, or to pay overhead or profit for repairs performed by, or materials acquired from, a business in which Borrower owns a 50% or greater interest.

E. Borrower will not use, directly or indirectly, any portion of the proceeds of this Loan to relocate without the prior written permission of SBA. The law prohibits the use of any portion of the proceeds of this Loan for voluntary relocation from the business area in which the disaster occurred. To request SBA's prior written permission to relocate, Borrower will present to SBA the reasons therefore and a description or address of the relocation site. Determinations of (1) whether a relocation is voluntary or otherwise, and (2) whether any site other than the disaster-affected location is within the business area in which the disaster occurred, will be made solely by SBA.

F. Borrower will, to the extent feasible, purchase only American-made equipment and products with the proceeds of this Loan.

G. Borrower will make any request for a loan increase for additional disaster-related damages as soon as possible after the need for a loan increase is discovered. The SBA will not consider a request for a loan increase received more than **two (2) years** from the date of the original Loan Authorization and Agreement unless, in the sole discretion of the SBA, there are extraordinary and unforeseeable circumstances beyond the control of the borrower.

<<PARA\_DEADLINE>>. DEADLINE FOR RETURN OF LOAN CLOSING DOCUMENTS

**Borrower will sign and return the loan closing documents to SBA within 2 months of the date of this Loan Authorization and Agreement.** By notifying the Borrower in writing, SBA may cancel this Loan if the Borrower fails to meet this requirement. The Borrower may submit and the SBA may, in its sole discretion, accept documents after 2 months of the date of this Loan Authorization and Agreement.

<<PARA\_RA>>. AGREEMENT TO REMIT AND ASSIGNMENT OF COMPENSATION FROM OTHER SOURCES

* 1. Eligibility for this disaster Loan is limited to disaster losses that are not compensated by other sources. Other sources include but are not limited to: (1) proceeds of policies of insurance or other indemnifications, (2) grants or other reimbursement (including loans) from government agencies or private organizations, (3) claims for civil liability against other individuals, organizations or governmental entities, and (4) salvage (including any sale or re-use) of items of damaged property.
  2. Borrower will promptly notify SBA of the existence and status of any claim or application for such other compensation, and of the receipt of any such compensation, and Borrower will promptly submit the proceeds of same (not exceeding the outstanding balance of this Loan) to SBA.
  3. Borrower hereby assigns to SBA the proceeds of any such compensation from other sources and authorizes the payor of same to deliver said proceeds to SBA at such time and place as SBA shall designate.
  4. SBA will in its sole discretion determine whether any such compensation from other sources is a duplication of benefits. SBA will use the proceeds of any such duplication to reduce the outstanding balance of this Loan, and Borrower agrees that such proceeds will not be applied in lieu of scheduled payments.

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| 1. <<LAA\_OC\_SHD\_Start>>Prior to disbursement of any Loan funds for the repair/replacement of shared and/or common improvements associated with the property located at <<LAA\_OC\_SHD\_Property\_Property\_Address>>, <<LAA\_OC\_SHD\_Property\_City>>, <<LAA\_OC\_SHD\_Property\_State>> <<LAA\_OC\_SHD\_Property\_Zip\_Code>>, Borrower will submit evidence satisfactory to SBA that all insurance proceeds and other necessary funds have been spent or committed for the repair or replacement of the <<LAA\_OC\_SHD\_Element\_Value\_1>>. The terms and conditions of any borrowed funds must be approved by SBA. |

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| 1. <<LAA\_OC\_FPL\_Start>>Prior to disbursement of any Loan funds for real estate, Borrower must provide information on the settlement under flood/hazard/etc. insurance policy in the name of <<LAA\_OC\_FPL\_Element\_Value\_3>> for the damaged real property located at <<LAA\_OC\_FPL\_Property\_Property\_Address>>, <<LAA\_OC\_FPL\_Property\_City>>, <<LAA\_OC\_FPL\_Property\_State>> <<LAA\_OC\_FPL\_Property\_Zip\_Code>>. SBA will review any settlement(s) to determine if the recovery is a duplication of benefits and if so, SBA will reduce the loan eligibility accordingly. Borrower agrees that such proceeds will not be applied in lieu of scheduled payments. |

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| 1. Prior to disbursement of any Loan funds for real estate construction (including manufactured housing), repair, or mitigation for the properties listed below, Borrower will submit evidence satisfactory to SBA that all insurance proceeds and other funds received for disaster damages to the listed property, and any other funds necessary to complete the construction/repair project in excess of the SBA loan, have been spent for the repair or replacement of the disaster damaged real estate (including manufactured housing). The terms and conditions of any borrowed funds must be approved by SBA. |
| * 1. <<LAA\_OC\_INJ\_Start>><<LAA\_OC\_INJ\_Property\_Property\_Address>>, <<LAA\_OC\_INJ\_Property\_City>>, <<LAA\_OC\_INJ\_Property\_State>> <<LAA\_OC\_INJ\_Property\_Zip\_Code>> |

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| 1. <<LAA\_OC\_TPI\_Start>>Borrower will promptly notify SBA of the receipt of any proceeds for real estate/contents/etc. recovered under the flood/hazard/etc. insurance policy in the name of << LAA\_OC\_TPI\_Element\_Value\_3>> for the damaged real estate/contents/etc. located at << LAA\_OC\_TPI\_Property\_Property\_Address>>, << LAA\_OC\_TPI\_Property\_City>>, << LAA\_OC\_TPI\_Property\_State>> << LAA\_OC\_TPI\_Property\_Zip\_Code>>. SBA will review any settlement(s) to determine if the recovery is a duplication of benefits and if so, SBA will reduce the loan eligibility accordingly. Borrower agrees that such proceeds will not be applied in lieu of scheduled payments. |

<<PARA\_BORR\_CERT>>. BORROWER'S CERTIFICATIONS

Borrower certifies that:

* 1. There has been no substantial adverse change in Borrower's financial condition (and organization, in case of a business borrower) since the date of the application for this Loan. (Adverse changes include, but are not limited to: judgment liens, tax liens, mechanic's liens, bankruptcy, financial reverses, arrest or conviction of felony, etc.)
  2. No fees have been paid, directly or indirectly, to any representative (attorney, accountant, etc.) for services provided or to be provided in connection with applying for or closing this Loan, other than those reported on SBA Form 5.
  3. All representations in the Borrower's Loan application (including all supplementary submissions) are true, correct and complete and are offered to induce SBA to make this Loan.
  4. No claim or application for any other compensation for disaster losses has been submitted to or requested of any source, and no such other compensation has been received, other than that which Borrower has fully disclosed to SBA.
  5. Neither the Borrower nor, if the Borrower is a business, any principal who owns at least 50% of the Borrower, is delinquent more than 60 days under the terms of any: (a) administrative order; (b) court order; or (c) repayment agreement that requires payment of child support.
  6. F. Borrower certifies that no fees have been paid, directly or indirectly, to any representative (attorney, accountant, etc.) for services provided or to be provided in connection with applying for or closing this Loan, other than those reported on the Loan Application. All fees not approved by SBA are prohibited. If an Applicant chooses to employ an Agent, the compensation an Agent charges to and that is paid by the Applicant must bear a necessary and reasonable relationship to the services actually performed and must be comparable to those charged by other Agents in the geographical area. Compensation cannot be contingent on loan approval. In addition, compensation must not include any expenses which are deemed by SBA to be unreasonable for services actually performed or expenses actually incurred. Compensation must not include charges prohibited in 13 CFR 103 or SOP 50-30, Appendix 1. **If the compensation exceeds $500 for a disaster home loan or $2,500 for a disaster business loan, Borrower must fill out the Compensation Agreement Form 159D which will be provided for Borrower upon request or can be found on the SBA website.**

<< PARA\_CIVIL\_CRIMINAL\_PEN>>. CIVIL AND CRIMINAL PENALTIES

1. Whoever wrongfully misapplies the proceeds of an SBA disaster loan shall be civilly liable to the Administrator in an amount equal to one-and-one half times the original principal amount of the loan under 15 U.S.C. 636(b). In addition, any false statement or misrepresentation to SBA may result in criminal, civil or administrative sanctions including, but not limited to: 1) fines, imprisonment or both, under 15 U.S.C. 645, 18 U.S.C. 1001, 18 U.S.C. 1014, 18 U.S.C. 1040, 18 U.S.C. 3571, and any other applicable laws; 2) treble damages and civil penalties under the False Claims Act, 31 U.S.C. 3729; 3) double damages and civil penalties under the Program Fraud Civil Remedies Act, 31 U.S.C. 3802; and 4) suspension and/or debarment from all Federal procurement and non-procurement transactions. Statutory fines may increase if amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

<< PARA\_DISB\_LOAN>>. DISBURSEMENT OF THE LOAN

A. Disbursements will be made by and at the discretion of SBA Counsel, in accordance with this Loan Authorization and Agreement and the general requirements of SBA.

B. Disbursements may be made in increments as needed.

C. Other conditions may be imposed by SBA pursuant to general requirements of SBA.

D. Disbursement may be withheld if, in SBA's sole discretion, there has been an adverse change in Borrower's financial condition or in any other material fact represented in the Loan application, or if Borrower fails to meet any of the terms or conditions of this Loan Authorization and Agreement.

E. **NO DISBURSEMENT WILL BE MADE LATER THAN 6 MONTHS FROM THE DATE OF THIS LOAN AUTHORIZATION AND AGREEMENT UNLESS SBA, IN ITS SOLE DISCRETION, EXTENDS THIS DISBURSEMENT PERIOD.**

<< PARA\_PARTIES\_AFFECTED>>. PARTIES AFFECTED

1. This Loan Authorization and Agreement will be binding upon Borrower and Borrower's successors and assigns and will inure to the benefit of SBA and its successors and assigns.

<< PARA\_DATE>>. DATE

A. This Loan Authorization and Agreement is approved and issued on .

Administrator

Linda E. McMahon



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James E. Rivera

Associate Administrator

U.S. Small Business Administration

The undersigned agree(s) to be bound by the terms and conditions herein during the term of this Loan, and further agree(s) that no provision stated herein will be waived without prior written consent of SBA.

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| **<<Signatures\_Borrower\_Start>>Individual Execution:**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  <<Signatures\_Borrower\_Name>>, INDIVIDUALLY |  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Date |