



SBA Information Notice

TO: All SBA Employees and SBA Lenders **CONTROL NO.:** 5000-20059

SUBJECT: Revised SBA Forms 1919, 1920, 1971, 2237, and 2449 **EFFECTIVE:** November 3, 2020

The U.S. Small Business Administration (SBA) is announcing the update and release of SBA Form 1919, Borrower Information Form, SBA Form 1920, Lender's Application for Loan Guaranty, and SBA Form 1971, Religious Eligibility Worksheet, all of which are used for all 7(a) programs. SBA Form 1971 is also used in the 504 loan program. In addition, SBA is announcing the update and release of SBA Form 2449, Community Advantage Addendum (7(a) Pilot Program), which is an addendum to SBA Form 1919 for Community Advantage Pilot Program applicants. The information on SBA Form 2449 will continue to be submitted to SBA electronically by the Community Advantage Lender. Also, SBA has updated SBA Form 2237, 7(a) Loan Post Approval Action Checklist, and will continue to collect information contained in this form electronically. Finally, EIB-SBA Joint Form 84-1 will no longer be used for Export Working Capital Program (EWCP) loans.¹ Lenders must now use SBA Forms 1919 and 1920 to request a guarantee on an EWCP loan. Both forms have been revised to incorporate information that was previously collected on EIB-SBA Joint Form 84-1 for EWCP loans.

Summary of Changes:

SBA Form 1919, Borrower Information Form

SBA Form 1919, Borrower Information Form, collects information about the Small Business Applicant(s) and its Associate(s). The form is completed by the Small Business Applicant(s), its Associate(s), and Key Employee(s) and submitted to an SBA Participating Lender.

The revised form includes a new section (Section III) specifically designed to collect information on entity owners of the Small Business Applicant, including checkboxes to clearly identify the type of entity owner and its legal structure. Additionally, the purpose of the loan section has

¹ The former EIB-SBA Joint Form 84-1 was revised by ExIm Bank, and it is no longer a joint form. The form is currently approved for use by ExIm Bank only.

been expanded to better document the allocation of the proposed uses of loan proceeds. As stated above, the EIB-SBA Joint Form 84-1 is no longer used for EWCP loans; therefore, question 9 on SBA Form 1919 has been expanded to collect additional information for EWCP loans.

The following are the additions and/or modification(s) for each section on the revised SBA Form 1919, Borrower Information Form:

Section I: Business Information.

- a. Clarified the instructions for how to complete the form and who must complete each section.
- b. Added selection boxes to clearly identify if the Applicant is organized as a Cooperative, Employee Stock Ownership Plan (ESOP), 401(k) Plan, or Trust.
- c. Expanded the purpose of the loan section to better document the intended allocation for the uses of proceeds, such as purchase real estate, construction, eligible debt refinancing, and working capital.
- d. Added a question to determine if the Applicant's source of equity is a 401(k) plan (including a Rollover for Business Start-Up plan).
- e. Added a question asking if the Applicant is going to hire a management company to manage day-to-day operations of the business. (If so, the Applicant must provide a copy of the management agreement to the Lender.)
- f. To enhance the user experience and reduce the time to complete the form, the responses to questions 12-16 have been changed from "True/False" responses to "Yes/No" responses.
- g. The Representation(s) and Certification(s) have been updated to comply with Federal, State, or local law. This includes a new certification for compliance with the "Taxpayer First Act," which states the Lender can use and share the tax information, provided by the Applicant and/or that the Lender obtained from the Internal Revenue Service with SBA for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Section II: Individual Owner Information.

- a. Changed Principal Name to "Individual Owner's Full Legal Name" to clarify who is required to complete this section. (As discussed below, entity owners will complete the newly created Section III.)
- b. Added line for "Applicant Legal Name."
- c. Added "*must be originally initialed or digitally verified, and not typed*" to questions 17-20 to clarify the acceptable format for the individual's initials.
- d. As part of the Agency's efforts to reduce and streamline forms, deleted the requirement for an individual owner to complete SBA Form 912, Statement of Personal History, when the individual answers "yes" to question 18 or 19. Although the SBA Form 912 is no longer required, if an individual owner answers "yes" to question 18 or 19, the individual must provide the details to support the affirmative answers to the SBA Participating Lender for

processing in accordance with SOP 50 10 6, Part 2, Section A, Chapter 3, Paragraph B, Character Determination.

- e. Added language after question 20 to reflect SBA Loan Program Requirements related to the eligibility of businesses owned by non-U. S. Citizens.

Section III: Entity Owner's Information (NEW).

This section is entirely new, and the purpose is to collect information on the entity owners of the Small Business Applicant. This information will help identify, among other things, if affiliation exists through common ownership or otherwise.

SBA Form 1920, Lender's Application for Loan Guaranty

This form is reorganized to align with the transactional data entry into the electronic submission platform and to clarify the data collection requirements for the loan request. Additionally, this form captures the information collection from the former EIB-SBA Joint Form 84-1, which is no longer used for EWCP loans. The summary below identifies the sections with significant changes.

Section A. Processing Method

- a. Revised the titles of boxes for the Lender to identify the processing option (delegated or non-delegated) and all of the delivery method options for 7(a) loans (e.g., 7(a) Small, SBA Express, Export Express, EWCP, International Trade, CAPLines, Community Advantage).
- b. Added an option for 7(a) Small Loan of \$350,000 or less that does not meet the minimum acceptable FICO® Small Business Scoring Service credit score.
- c. Added Permanent Working Capital and Fixed Assets options for International Trade Loans.
- d. Added the following options for EWCP Loans: Revolving, Not Revolving, Asset Based, Transaction Based, Standby Letter of Credit, and Renewal/Reissuance.

Section C. Small Business Applicant Information (Parts One and Two)

This section captures the Small Business Applicant information formerly in section B of SBA Form 1920.

- a. Part One is to be completed only when an Eligible Passive Company (EPC)/Operating Company (OC) loan structure will be used for the project. In such cases, Part One is completed for the EPC and Part Two is completed for the OC.
- b. If there will not be an EPC/OC loan structure, the Small Business Applicant information is included in Part Two.

Section D. Loan Structure Information

- a. The option for the SBA LIBOR base rate has been removed, as LIBOR is being phased out of use. In addition, revised the wording of Fixed Base Rate to Fixed Rate.
- b. Payment frequency: monthly, quarterly, semi-annually, annually, and other options have been added for consistency with data entry options in E-Tran and SBA One.

Section E. Complete Project Information

- a. Added options for uses of proceeds to capture EWCP and Export Express programs: Export Working Capital (EWCP or Export Express), Support Standby Letter of Credit (EWCP or Export Express), and Refinance Existing EWCP Loan or Export Line of Credit.
- b. Added a question asking if any portion of the Applicant's equity injection will be funded by a Rollover as Business Start-Up (ROBS) plan.

Section G. General Eligibility

- a. Expanded the General Eligibility section to include a statement confirming the Lender has reviewed the SBA Loan Program eligibility requirements and the Small Business Applicant is eligible.
- b. SBA has removed section L (the list of types of businesses ineligible for SBA financial assistance under [13 CFR 120.110](#)) entirely.

Section T. Export Loan Programs

- a. Revised the International Trade (IT) Loan and Export Express (EE) sections for consistency with updated SBA Loan Program Requirements in SOP 50 10 and, for EE, to incorporate the Lender's compliance with OFAC review requirements.
- b. Because the EIB-SBA Joint Form 84-1 is no longer used for EWCP loans, revised the EWCP section to include questions formerly contained in EIB-SBA Joint Form 84-1, and revised the section for consistency with SBA Loan Program Requirements as follows:
 - 1) Added a statement that the Applicant business has been in operation for at least 12 months. If the Applicant has not been in operation for at least 12 months, additional information is required.
 - 2) Added questions regarding indirect exports, the ExIm Bank Country Limitation Schedule, and the Lender's compliance with any OFAC review requirements.
 - 3) Added questions about eligible uses of proceeds, refinancing requirements, collateral requirements, and loan maturity terms specific to EWCP loans.
 - 4) Added the supporting documents that the Lender must collect and retain, as applicable to the particular EWCP loan, as follows:
 - i. Copy of Letter of Credit and/or copy of buyer's order/contract, if required.
 - ii. Export credit insurance-related material (policy, application, buyer credit limit), if required.
 - iii. Copy of export license(s), if required.
 - iv. Aging of accounts receivable and accounts payable, and inventory reports (dated within 180 days of application).
 - v. Cash flow projections with monthly (may be quarterly for asset-based loans) sales projections for the lesser of 12 months or the term of the loan, highlighting the proposed export transaction(s) to be financed.

In addition to completing SBA Form 1920, Lenders are required to prepare a credit memorandum that documents the eligibility and credit analysis of the application. For non-delegated loans, the

Lender's credit memorandum is submitted to SBA with the application. For delegated loans, the Lender retains the SBA Form 1920, all supporting documentation, and the credit memorandum in its file. SBA reviews the documents when conducting lender oversight activities and, in the event of default, at time of guaranty purchase.

SBA Form 1971, Religious Eligibility Worksheet

SBA Form 1971 is used in both the 7(a) and 504 loan programs. SBA revised the language of this form for clarity. In addition, the signature block has been changed to add the signature of the Applicant and remove the recommendation and signature of the processing center or local SBA Counsel, as the process was changed in 2019 so that all of these forms are submitted to a centralized mailbox and reviewed in SBA Headquarters by the Office of General Counsel-Litigation Division. This form is completed to aid in the process of determining the eligibility of a Small Business Applicant with a religious component.

SBA Form 2237 7(a) Loan Post Approval Action Checklist

- a. Added a section for instructions following the section for the Lender's contact information. The instructions provide guidance to the Lender in providing details of loan modification requests to the appropriate SBA Loan Center.
- b. Removed check boxes for unilateral actions and actions that lenders are required to update in E-Tran, as these actions do not need SBA approval. Lenders should only use this form for actions that require SBA approval.
- c. For modifications to International Trade and Export Express loans, Lenders continue to utilize this checklist. For EWCP loans, Lenders will continue to request changes through the appropriate Export Finance Trade Manager, who will submit the request to the Loan Guaranty Processing Center, unless the changes are within the Lender's delegated PLP-EWCP authority.

SBA Form 2449, Community Advantage Addendum

This form has been updated to provide clearer information and ensure the Lender is complying with program requirements.

- a. Removed the "Startup Business (Not Opened)" option and revised the option for "New Business (2 years or less)" to "Startup/New Business (2 years or less)."
- b. Added "Opportunity Zone" and "Rural Area" as additional targeted underserved markets where the Small Business Applicant is located.
- c. Revised "Small Business Applicant ownership meets the SBA Veterans Advantage requirements" to "Veteran Owned Business."
- d. Revised "Marketing/Sales" to "Marketing/Sales/Social Media" and "eCommerce" to "Web Site/eCommerce" to reflect the current media being used by virtual communities and networks.
- e. Replaced "Bank or Other Lending Institution" with "Microloan Intermediary" and "Community Advantage Lender" to be more specific of who provides the assistance to the applicant.
- f. Revised "Web-Based Tutorials" to "Web-Based Training."

The revised SBA forms are available on SBA's website at www.sba.gov.

SBA Lenders are required to use the revised forms immediately, however for applications currently in process (other than EWCP loans), SBA Lenders may continue to use the previously approved version.

Notification and Questions

SBA field offices must notify SBA Lenders about the updates to the forms. Questions concerning this Notice should be directed to the lender relations specialist in the local SBA field office. The local SBA field office may be found at www.sba.gov/about-offices-list/2.

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