



The Banker's Mortgage Conduit

1099 North Street, White Plains, New York 10605

An affiliate of Country Bank a NYS Chartered Commercial Bank

ValueXpress LLC SBA 7A / 504 / USDA Application Instructions

Version

3.0

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Developed by:
ValueXpress LLC
1099 North Street, White
Plains, New York 10605

For Additional Information
Contact: Gary Unkel
ValueXpress LLC
garyu@valuexpress.com
212.883.6492

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Note 1: Most recent 3 years business tax returns for the Borrower (signed and dated)

The request is for the most recent 3 years of business tax returns for the borrowing business and any additional business entities that are providing a guarantee for the loan. The business tax returns must be signed and dated. The business tax returns must be complete. The business tax returns must include a Schedule K-1 for each owner. The ownership percentages from the K-1s must equal 100%. The individuals listed on the K-1s need to match the individuals that are proposed to guarantee the loan or an explanation is required. If the real estate is owned by a different business entity that owns the business, then the most recent 3 years of business tax returns (with all Schedules and K-1s) must be provided for the business entity that owns the real estate in addition to the business entity that owns the business. If any tax return is on extension, provide a copy of the extension.

Note 2: A current financial statement for the Borrower consisting of an income and expense statement and balance sheet dated within the past 60 days

The request is for an internally prepared (i.e., QuickBooks) or accountant prepared interim income and expense statement and balance sheet for each business identified in Note 1 prepared through the end of a month. The statements cannot be more than 60 days old. For example, if today's date is November 20, then the interim income and expense statement and balance sheet for each business cannot be older than September 30. The internally prepared (i.e., QuickBooks) or accountant prepared interim income and expense statement and balance sheet do not have to include depreciation or any other end-of-year adjustments.

Note 3: A Debt Schedule for the business dated same date as the balance sheet (use attached form)

The request is for the applicant to complete an Excel worksheet that will provide details on existing business debt. If the applicant does not have Excel or is not computer savvy, simply print out the form and hand-write the responses. Business debt is any debt listed on the business balance sheet. Examples of business debt is first and second mortgage loans secured by real estate, lines of credit, equipment loans, equipment leases (capital leases only – only leases that are shown as an asset/liability on the balance sheet), vehicle loans paid by the business (but not leases, only vehicles on the balance sheet). **The Debt Schedule must be dated the same date as the interim balance sheet provided in Note 2. The total amount of debt listed on the Debt Schedule must match the total amount of debt on the balance sheet when both dated the same date.**

Step by Step Instruction:

Payable To: List name of creditor/lender

Original Amount: List the original amount of the loan when it was closed.

Original Date: List the date that the loan was closed (month and year is acceptable)

Present Balance: List Present Balance from Balance Sheet, cross-check against a billing statement

Rate of Interest: List the interest rate, obtain from original Promissory Note or Statement

Maturity Date: List Date in which the loan matures

Monthly Payment: List monthly payment including principal & interest. Obtain from recent statement

Security: Select the appropriate response from the pull-down menu. If missing, contact ValueXpress

Address: List the address where the security for the loan is located

Current/Past Due: Select the appropriate response from pull-down menu

Original Purpose: Select the appropriate response from the pull-down menu.

Note 4: Most recent 3 years' personal returns and W-2s for all owners who received K-1s from the business

The request is for most recent 3 years of personal tax returns for all individuals that received a K-1 from the business. If another business received a K-1 from the subject business, than the business receiving the K-1 must provide 3 years of business tax returns including K-1s to determine individual ownership. The personal tax returns must be signed and dated. W-2s for any individuals receiving W-2 income must be supplied. If any tax return is on extension, provide a copy of the extension and a W-2 for the tax period that is on extension.

Note 5: Most recent 3 years' business tax returns for other businesses owned by any of the business owners applying for the loan

The request is for the most recent 3 years of business tax returns for **other businesses owned by any of the business owners applying for the loan**. These companies are referred to as "affiliates" or "affiliated companies." An applicant can identify affiliated companies they each own by reviewing their most recent form 1040 Personal Tax Return. First, determine whether you filled out Schedule E as part of your most recent form 1040 Personal Tax Return. If yes, then go to Page 2, line 28. Line 28 will list affiliated companies owned by the applicant. **The applicant must provide 3 years of business tax returns for each affiliated company listed on Schedule E, line 28.** Next, determine if Schedule E, Page 1, Supplemental Income and Loss was included as part of the form 1040 Personal Tax Return. If yes, any properties listed on Part 1, Line 1, Column A/B/C are considered affiliated companies. Since the income and expenses are reported for these properties on the Schedule E, no additional tax information is required. Next, determine if Schedule C (or C-EZ) was included as part of the form 1040 Personal Tax Return. Schedule C is generally income and expenses from sole proprietorships (businesses owned solely by the individual filing the Income and Expenses related to as part of the form 1040 Personal Tax Return). Companies and sole proprietorships are considered affiliated companies. Since the income and expenses are reported for these properties on the Schedule C, no additional tax information is required.

In addition, if the applicant purchased or started any new businesses after the filing of the most recent form 1040 Personal Tax Return, these new businesses must be disclosed and financial information provided (see note 6). If the applicant sold or closed any businesses after the filing of the most recent form 1040 Personal Tax Return, the disposition of those businesses need to be disclosed and verified (for example, provide a closing statement from sale).

Note 6: A current financial statement for other businesses owned by any of the business owners applying for the loan consisting of an income and expense statement and balance sheet dated within the past 60 days

The request is for an internally prepared (i.e., QuickBooks) or accountant prepared interim income and expense statement and balance sheet for **each affiliated company** business identified in Note 5 prepared through the end of a month. The statements cannot be more than 60 days old. For example, if today's date is November 20, then the interim income and expense statement and balance sheet for each business cannot be older than September 30. The internally prepared (i.e., QuickBooks) or accountant prepared interim income and expense statement and balance sheet does not have to include depreciation or any other end-of-year adjustments. Affiliated companies are defined in note 6 and include

1. **Affiliated companies listed on Schedule E, line 28 form 1040 Personal Tax Return.**
2. **Affiliated companies listed on Schedule E, Page 1, Supplemental Income and Loss**
3. **Affiliated companies listed on Schedule C and C-EZ - Income and Expenses from Sole Proprietorships**

Note 7: A Debt Schedule for all affiliated businesses dated same date as the balance sheet (use attached form)

The request is for the applicant to complete an Excel worksheet that will provide details on existing business debt **for all affiliated businesses**. If the applicant does not have Excel or is not computer savvy, simply print out the form and hand- write the responses. Business debt is any debt listed on the business balance sheet. Examples of business debt is first and second mortgage loans secured by real estate, lines of credit, equipment loans, equipment leases (capital leases only – only leases that are shown as an asset/liability on the balance sheet), vehicle loans paid by the business (but not leases, only vehicles on the balance sheet). **The Debt Schedule must be dated the same date as the interim balance sheet** provided in Note 6. The total amount of debt listed on the Debt Schedule must match the total amount of debt on the balance sheet when both dated the same date.

Step by Step Instruction:

Payable To: List name of creditor/lender

Original Amount: List the original amount of the loan when it was closed.

Original Date: List the date that the loan was closed (month and year is acceptable)

Present Balance: List Present Balance from Balance Sheet, cross-check against a billing statement

Rate of Interest: List the interest rate, obtain from original Promissory Note or Statement

Maturity Date: List Date in which the loan matures

Monthly Payment: List monthly payment including principal & interest. Obtain from recent statement

Security: Select the appropriate response from the pull-down menu. If missing, contact ValueXpress

Address: List the address where the security for the loan is located

Current/Past Due: Select the appropriate response from pull-down menu

Original Purpose: Select the appropriate response from the pull-down menu.

Note 8: Provide a Personal Financial Statement on Form 413 signed by both the owner and the owner's spouse (if married). [Click here for SBA Form 413.](#)

The request is for a Personal Financial Statement dated within the past 60 days. It is preferred, but not mandatory, that the owner use [SBA Form 413](#).

Step by Step Instruction:

As of: The Personal Financial Statement must be dated with the past 60 days

Business Name of Applicant Borrower: Enter Borrower's name and business name (i.e., Sammi LLC, dba Sam's Pretzels)

Cash on Hand: List verifiable amounts of cash on hand that match bank statements

Savings Accounts: List verifiable amounts of savings such as CDs that match bank statements

Other Assets: Be sure to indicate any cash down payment for a purchase that is held in escrow and list "down payment in escrow" on page 2, in Section 5.

Installment Account (Auto): Be sure the loan amount outstanding and monthly payment matches credit report. If you need credit report, request from ValueXpress.

Installment Account (Other): This should consist of the total amount of credit card and other unsecured debt and the total amount of payments for credit card and other unsecured debt. The unsecured debt outstanding and monthly payment should match the credit report. If you need credit report, request from ValueXpress.

Section 2. Notes Payable: Do not include real estate secured debt or unsecured debt in this area. Include only items not included elsewhere (such as a boat loan).

Section 3. Stocks and Bonds: Easiest is to provide an account printout with note: See Attached.

Section 4. Real Estate Owned: If the owner owns more than six properties, request a separate **Schedule of Real Estate Owned** from ValueXpress. Otherwise, under type of property list **SFR- Primary** for primary residence, **SFR – Rental** for a single family home held for rental, **MF – Rental** for 2 or more dwelling units held for rental, **Commercial – Rental** for commercial income property, **Commercial OO - Type** for commercial property owner-occupied by a business, for example Commercial Office – OO.

Date Purchased: Enter month and year of property purchase **Original**

Cost: Enter the original purchase price at time of closing. **Original Cost:**

Enter the original purchase price at time of closing.

Present Market Value: Enter the market value for the property, if the owner does not own 100% of the property, enter the ownership percentage in parenthesis with equity share, i.e., \$1,000,000 (at 50% = \$500,000).

Name and Address of Mortgage Holder: If there is a first mortgage and a second mortgage, list both lenders.

Mortgage Balance: If the loan was fully guaranteed by the applicant enter the full amount of the loan(s); if the owner does not own 100% of the property, enter the ownership percentage in parenthesis with liability share, i.e. \$900,000 (at 50% = \$450,000). The liability share is used only for net worth computations, since the entire loan is guaranteed by the owner. If the loan was not guaranteed by the owner, then enter \$0 with the following in parenthesis “(Not a guarantor on loan)”.

Amount of Payment per month/year: Enter payment separately for each of the first mortgage and second mortgage (if any). Be sure to note if monthly or annually, for example “\$5401/month and \$506/month.”