

FOR BORROWER SIGNATURE

Borrower Certification for Use of Loan Proceeds

These assurances reference Section 3005(e)(7) and Section 3011(c)(2) of the Small Business Jobs Act of 2010.

Legal Name of Small Business
Loan Recipient: _____ (“Borrower”)

Or

Legal Name of Any Other Entity
That Receives Financial Assistance: _____ (“Borrower”)

The Borrower hereby certifies to the _____ the following:
Financial Institution Lender

1. The loan proceeds will be used for a “business purpose.” Business purpose includes, but is limited to, start up costs, working capital, business procurement, franchise fees, equipment, inventory, as well as the purchase, construction renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. The definition of business purpose excludes: activities that relate to acquiring or holding passive investments, such as commercial real estate ownership and the purchase of securities; and lobbying activities, as defined in Section 3(&) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended.
2. The loan proceeds will not be used to:
 - a. repay delinquent federal or state income taxes unless the Borrower has a payment plan in place with the relevant taxing authority; or
 - b. repay taxes held in trust or escrow, e.g. payroll or sales taxes; or
 - c. reimburse funds owed to any owner, including any equity injection of capital for the business’ continuance; or
 - d. to purchase any portion of the ownership interest of any owner of the business.
3. The Borrower is not:
 - a. an executive officer, director, or principal shareholder of the financial institution lender;
or

- b. a member of the immediate family of an executive officer, director, or principal shareholder of the financial institution lenders; or
- c. a related interest of any such executive officer, director, principal shareholder, or member of the immediate family.

For the purpose of these three borrower restrictions, the terms “executive officer,” “director,” “principal shareholder,” “immediate family member,” and “related interest” refer to the same relationship to a financial institution lender as the relationship described in Part 215 of Title 12 of the Code of Federal Regulations, or any successor to such part.

4. The Borrower is not:

- a. a business engaged in speculative activities that develop profits from fluctuations in price rather than through normal course of trade, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business; or
- b. a business that earns more than half of its annual net revenue from lending activities; unless the business is a non-bank or non-bank holding company Community Development Financial Institutions; or
- c. a business engaged in pyramid sales, where a participant’s primary incentive is based on the sales made by an ever-increasing number of participants; or
- d. a business engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted. (Included in these activities is the production, servicing, or distribution of otherwise legal products that are to be used in connection with an illegal activity, such as selling drug paraphernalia or operating a motel that knowingly permits illegal prostitution); or
- e. a business engaged in gambling enterprises, unless the business earns less than 33% of its annual net revenue from lottery sales.

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5. No principal of the borrowing entity has been convicted of a sex offense against a minor (as such terms are defined in Section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)). For the purposes of this certification, principals is defined as if a sole proprietorship, the proprietor; if a partnership, each managing partner and each partner who is a natural person and holds a 20% or more ownership interest in the partnership; and if a corporation, limited liability company, association, or a development company, each director, each of the five mostly highly compensated executives or officers of the entity, and each natural person who is a direct or indirect holder of 20% or more of the ownership stock or stock equivalent of the entity.

Legal Name: _____

By: _____
Authorized Signatory

Name: _____

Title: _____

Date: _____

FOR LENDER SIGNATURE

Lender Certification for use of Loan Proceeds

This Assurance is referenced by Section 3005(e)(7) of the Small Business Jobs Act of 2010, and includes any financial institution lender that receives a loan, a loan guarantee, or other financial assistance using funds received by a Participating State under the State Small business Credit Initiative.

Legal Name of Financial Institution Lender: _____ (“Lender”)

The Lender hereby certifies to 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 financial institution lender or an affiliate of the financial institution lender.
2. The loan is not a refinancing of a loan previously made to that borrower by the financial institution lender or an affiliate of the financial institution lender.
3. The lender is not attempting to enroll the unguaranteed portion of SBA-guaranteed loans.

Legal Name: _____

By: _____
Authorized Signatory

Name: _____

Title: _____

Date: _____

FOR BORROWER SIGNATURE

Private Entity Sex Offender Certification

This certification is required by Section 3011(C)(2) of the Small Business Jobs Act of 2010, from any private entity that receives a loan, a loan guarantee, or other financial assistance using funds received by a participating State under the State Small Business Credit Initiative

Legal Name of Small Business
Loan Recipient: _____ (“Borrower”)

Or

Legal Name of Financial
Institution Lender: _____ (“Lender”)

Or

Legal Name of Any Other Entity
That Receives Financial Assistance: _____ (“Borrower”)

As required by Section 3011(C)(2) of the Small Business Jobs Act of 2010, the private entity hereby certifies to the participating State that the Principals of the private entity have not been convicted of a sex offense against a minor (as such terms are defined in Section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)). For the purposes of this Certification, Principals means the following: if a sole proprietorship, the proprietor; if a partnership, each partner; if a corporation, limited liability company, association, or a development company, each director, each of the five mostly highly compensated executives, officers, or employees of the entity, and each direct or indirect holder of twenty percent (20%) or more of the ownership stock or stock equivalent of the entity.

Legal Name: _____

By: _____
Authorized Signatory

Name: _____

Title: _____

Date: _____

Private Entity Sex Offender Certification

This certification is required by Section 3011(C)(2) of the Small Business Jobs Act of 2010, from any private entity that receives a loan, a loan guarantee, or other financial assistance using funds received by a participating State under the State Small Business Credit Initiative

Legal Name of Small Business
Loan Recipient: _____ (“Borrower”)

Or

Legal Name of Financial
Institution Lender: _____ (“Lender”)

Or

Legal Name of Any Other Entity
That Receives Financial Assistance: _____ (“Borrower”)

As required by Section 3011(C)(2) of the Small Business Jobs Act of 2010, the private entity hereby certifies to the participating State that the Principals of the private entity have not been convicted of a sex offense against a minor (as such terms are defined in Section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)). For the purposes of this Certification, Principals means the following: if a sole proprietorship, the proprietor; if a partnership, each partner; if a corporation, limited liability company, association, or a development company, each director, each of the five mostly highly compensated executives, officers, or employees of the entity, and each direct or indirect holder of twenty percent (20%) or more of the ownership stock or stock equivalent of the entity.

Legal Name: _____

By: _____
Authorized Signatory

Name: _____

Title: _____

Date: _____

FOR LENDER SIGNATURE

Certification for Customer Identification Programs

This certification is required by 31 CFR 103.121.

The Lender certifies that the financial institution lender or investor is in compliance with 31 CFR 103.121, Customer Identification Programs for banks, savings associations, credit unions, and certain non-Federally regulated banks.

Legal Name: _____

By: _____
Authorized Signatory

Name: _____

Title: _____

Date: _____