

CHECKLIST FOR INTEREST ASSISTANCE
ON NEW GUARANTEED LOANS (SEL/CLP/PLP)

Borrower's Name _____

Date _____

- ____ 1. All items required on Attachment 1 for SEL/CLP or Attachment 2 for (PLP) of this notice "Guaranteed Loan Checklist."
- ____ 2. All term loans being considered for Interest Assistance must have a proposed debt repayment schedule in the file which shows principal and interest payment each year of the loan (amortization schedule). This schedule must be based on the full note rate and not the reduced rate.
- ____ 3. Proper cash flow included. An annual cash flow is acceptable if the lender stated the cash flow is a typical year cash flow and the loan approval official documents it is a typical cash flow.
- ____ 4. The loan approval official must review the documentation of significant non-essential assets and determine if one of the following is present: The financial statement has no assets that could be considered non-essential.
OR
The financial statement has assets that might be considered non-essential. The lender must provide documentation concerning the asset and any debt against it and why the asset should not be considered a significant non-essential asset.
- ____ 5. Proper terms being used. All loans except LOC's are required to have minimum terms, 7 years for OL or if the lender typically uses longer terms than 7 years, then the longer terms will be used. In either case, the life of the security must not be exceeded.
- ____ 6. IMPORTANT - The ending date of the first year cash flow, the ending date of the first period of the Interest Assistance, annual payment date, and the annual review date must be the same date for all Interest Assistance loans.
- ____ 7. If the first period of the Interest Assistance will be less than one year, the amortization schedule must reflect this.
- ____ 8. FSA-2221, "Interest Assistance Agreement," to be completed at closing. 2
- ____ 9. The Interest Assistance terms must not exceed 5 years from the date of the first Interest Assistance agreement for this applicant.
- ____ 10. If it is a PLP application, the following items are required: Part G of Form FSA-2211 "Application for Guarantee", cash flow & current balance sheet (including entity members). 3

Docket completed and approved by:

Reviewed before issuing loan guarantee by:

COUNTY OFFICE EMPLOYEE

2ND COUNTY OFFICE EMPLOYEE
(Optional)

COUNTY OFFICE EMPLOYEE

2ND COUNTY OFFICE EMPLOYEE
(Optional)

The original of this form to be placed on top of the application material in position 3.