SBA 504 Loan Closing Checklist

FOR THIRD PARTY LENDERS AND INTERIM LENDERS

> General information, not legal advice. Using this checklist does not create an attorney-client relationship. Program rules change often; always follow the current SBA, USDA or FSA requirements and the terms of the loan's authorization or commitment, which control over this list. Kennedy Sutherland LLP is a private law firm. It is not affiliated with or endorsed by SBA, USDA or FSA.

Structure

- ☐ Project costs and sources match the SBA 504 Authorization
- ☐ Bank's first lien loan, CDC/SBA second lien and borrower contribution confirmed (typically 50/40/10; 35/15 or 30/20 for new businesses or special purpose property)
- ☐ Third Party Lender Agreement (SBA Form 2287) signed and its terms reflected in the bank's documents

Bank's first lien loan

- ☐ Note, deed of trust and security documents for the third party loan
- ☐ Lien priority, cross-default and subordination terms consistent with 13 CFR 120.921 and the Third Party Lender Agreement
- ☐ Interest rate, maturity, balloon and fee terms within SBA's limits for third party loans
- ☐ Title, survey, environmental, appraisal and insurance items as for any commercial real estate loan

Interim loan

- ☐ Interim lender certification (SBA Form 2288) and interim financing terms
- ☐ Construction draws supported by inspections, invoices and lien waivers
- ☐ Project completed and costs documented before debenture funding

Debenture funding

- ☐ CDC closing package complete; borrower and CDC deliverables tracked
- ☐ Payoff of the interim loan from debenture proceeds coordinated with the CDC and its counsel
- ☐ Lien position after funding confirmed with the title company
- ☐ Post-funding servicing contacts and reporting set up

Closing an SBA or USDA loan? Kennedy Sutherland LLP has closed SBA 7(a), SBA 504, USDA B&I, REAP and FSA guaranteed loans for lenders, and also offers CDC-side 504 debenture closing work and conventional loan documentation. Fixed-fee quotes are available for SBA and USDA loan closings. Initial consultations for lenders are free. Call 210.259.3885 or visit hillcountry.kslawllp.com/contact/.

Official sources

- SBA SOP 50 10 8.1, Lender and Development Company Loan Programs (effective Oct. 1, 2026) (sba.gov)
- 13 CFR 120.921, terms of Third Party Loans (ecfr.gov)
- SBA Form 2287, Third Party Lender Agreement (sba.gov)
- SBA Form 2288, Interim Lender Certification (sba.gov)
- SBA, 504 loans (sba.gov)

Attorney advertising. Lawyer responsible for this content: William "Dub" Sutherland, Kennedy Sutherland LLP. Primary practice location: Fredericksburg, Texas (meetings by appointment). © 2026 Kennedy Sutherland LLP.