SBA 7(a) Loan Closing Checklist

FOR TEXAS COMMUNITY BANK 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.

Before documents are drawn

- ☐ Current SBA Authorization reviewed line by line; every condition assigned to someone
- ☐ Loan number, amount, maturity, rate and guaranty percentage match the bank's commitment
- ☐ Eligibility and size rechecked against SOP 50 10 8.1 as of closing
- ☐ Credit elsewhere, use of proceeds and equity injection supported in the file
- ☐ Form 1919 complete and signed; Form 413 for each required owner; IRS 4506-C or 8821 transcripts received

Documents

- ☐ Note (SBA Form 147 or the bank's note with the required federal-law language)
- ☐ Guaranties from each owner of 20% or more and any others the Authorization requires (Form 148 or 148L, or the bank's form with required language)
- ☐ Deeds of trust, security agreements and assignments, each with required SBA language
- ☐ Standby agreements for any seller or other debt the Authorization puts on standby
- ☐ Form 159 when a lender fee over $2,500 is charged or an agent was paid; SBA Form 722 (Equal Employment Opportunity Poster) provided for the borrower to post
- ☐ Borrower and guarantor certifications required by the SOP

Collateral and third-party items

- ☐ Title commitment, lender's policy and endorsements; survey
- ☐ UCC, tax lien, judgment and litigation searches; UCC-1 filings with proof retained
- ☐ Appraisal and environmental review meeting SOP requirements
- ☐ Hazard insurance with lender loss payable clause and 10 days' cancellation notice; flood determination and insurance where required
- ☐ Life insurance assignment acknowledged by the insurer's home office, when required
- ☐ Landlord waivers, lease assignments and estoppels as required

Equity injection

- [ ] Source of funds documented
- [ ] Proof of injection before disbursement: copy of check or wire, 30 days of bank statements and deposit or settlement statement
- [ ] Gifts and borrowed funds documented as the SOP requires

Disbursement and post-closing

- [ ] Disbursement within the SOP's permitted period; Form 1050 or the bank's equivalent with support for each disbursement
- [ ] Joint payee checks or direct payment to vendors where practical
- [ ] Licenses and permits obtained within the required time
- [ ] Closing file reconciled to the Authorization; any differences approved by SBA in writing
- [ ] Recorded documents, final title policy and filed UCCs returned and kept in the file

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)
- SBA Information Notice 5000-882227, Technical Updates to SOP 50 10 8.1 (Sept. 25, 2026) (sba.gov)
- SBA SOP 50 10 8.1, Appendix 1, Forms and Related SOPs (form names and numbers checked Nov. 15, 2026) (sba.gov)
- 13 CFR part 120, Business Loans (eCFR) (ecfr.gov)
- 13 CFR 120.160, loan conditions (guaranties, insurance) (ecfr.gov)
- SBA Form 1919, Borrower Information Form (sba.gov)
- SBA Form 159, Fee Disclosure and Compensation Agreement (sba.gov)
- SBA Form 148, Unconditional Guarantee (sba.gov)
- SBA Form 413, Personal Financial Statement (sba.gov)

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