USDA Guaranteed Loan Closing Checklist

BUSINESS AND INDUSTRY (B&I) AND REAP UNDER 7 CFR PART 5001

> 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.

Conditional commitment

- ☐ Conditional commitment reviewed; every condition assigned and tracked
- ☐ Loan terms, guarantee percentage, fees and collateral match the commitment
- ☐ Any changes requested from USDA in writing before closing

Documents

- ☐ Note, loan agreement, security instruments and lender documents
- ☐ Agency guarantees from each owner of 20% or more, at least equal to ownership share times the guaranteed amount, unless USDA approves an exception
- ☐ USDA forms for the loan note guarantee, the lender's agreement and the assignment guarantee agreement where used
- ☐ Personal and corporate guaranties on USDA-approved forms

Collateral and diligence

- ☐ Liens perfected with the priority the commitment requires
- ☐ Appraisals, environmental review and feasibility study where required
- ☐ Hazard, flood and other insurance as required
- ☐ Equity and, for REAP, the borrower's contribution of at least 25% of project costs documented

Lender certifications and loan note guarantee

- ☐ Lender certifications under 7 CFR 5001.452 completed and accurate
- ☐ Guarantee fee paid
- ☐ Closing package sent to USDA; loan note guarantee issued
- ☐ USDA announced a B&I pause on new applications and servicing requests beginning Nov. 20, 2026, until a 2027 portal launch; check rd.usda.gov/onerdguarantee.

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

- 7 CFR part 5001, OneRD Guaranteed Loans (eCFR) (ecfr.gov)
- 7 CFR 5001.452, loan closing and conditions to issuing the loan note guarantee (ecfr.gov)
- 7 CFR 5001.204, personal, partnership and corporate guarantees (ecfr.gov)
- 7 CFR 5001.406, guaranteed loan amounts (ecfr.gov)
- USDA OneRD annual notice of fees and guarantee percentages for FY 2026, 91 FR 11272 (Mar. 9, 2026) (govinfo.gov)
- USDA Rural Development, OneRD Guarantee (forms 5001-1 and 5001-2, notices) (rd.usda.gov)
- USDA Rural Development, REAP guaranteed loans (rd.usda.gov)

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