Understanding the Loan Process

There are four basic steps to obtaining an SBA Loan with HomeStreet Bank, and we are going to support you every step of the way:

**Step 1: Loan Application** This process starts when you contact your HomeStreet Bank Loan Officer. Your Loan Officer will discuss your financing needs and assist you in determining the best HomeStreet Bank SBA product for your business. Your Loan Officer will then provide you with the HomeStreet Bank SBA loan application and a list of required documents to begin the loan application process.

During the application process we will also ask you to provide the following information and supporting documentation in order to process your loan.

- Interim Financial Statements no older than 30 days from application date, including A/R Aging, A/P Aging and Schedule of Inventory.
- Copies of your Business Federal Tax Returns for the last three fiscal years for your business and all affiliates. If you are an owner of 20% or more of a business it is considered an affiliate.
- If your business is a startup, a business plan and projections for the next two years will be required. Please provide the first year business plan, including a monthly breakout of revenue and expenses and a narrative of the assumptions used to calculate the projections.
- If your business is a franchise business, we will need a copy of the Uniform Franchise Offering Circular (UFOC), as well as your signed Franchise Agreement.
- For the refinance of debt, please provide a copy of the note being refinanced and the loan closing statement.
- Current copy of a business debt schedule for existing businesses (included in the SBA loan application packet).
- Copy of all corporate entity filing documents for Corporations, LLC’s, Partnerships and Trusts. This includes Board of Director Resolution and By-laws or Operating Agreements.
- Depending on the specifics of your transaction, your business and your industry, we may require additional information as well.

After the Loan Officer receives and reviews the SBA application and required documents, the Loan Officer will then issue you a proposed letter of interest (LOI). The LOI will detail and outline the salient points of the proposed transaction. This includes the proposed rate, term, estimation of closing costs and collateral requirements of the proposed financing. Please note that your Loan Officer will also be available to provide assistance to you in completing the application and explaining the LOI. They will make the process easy for you by being available along the process to answer all of your questions.

**Step 2: Underwriting** An assigned HomeStreet Bank Underwriter will process the information from your application, analyze your business and your loan request, and prepare the loan report that goes to the HomeStreet Bank Credit Administration. During the underwriting process, your assigned Underwriter may
need to contact you regarding questions that come up during the loan analysis. The faster you can respond to these requests, the faster your loan will be submitted to Credit Administration for approval.

**Step 3: Approval and Commitment** Your Loan Officer and your Underwriter will present your loan request to the HomeStreet Bank Credit Administration. Upon approval of your loan, your Underwriter will prepare a commitment letter for your review and approval. The commitment letter will provide details about the loan amount, interest rate, collateral required, equity required, third party due diligence fees and loan fees, as well as other important terms and conditions of the SBA loan. Your Loan Officer is available to discuss any aspect of the commitment letter and answer any questions you may have. After you have reviewed the letter, you will need to sign and return it to HomeStreet Bank, along with a good faith deposit check. Your good faith deposit will be used for Third Party due diligence expenses, such as appraisal and environmental reports, credit reports, lien searches and loan closing fees.

**Step 4: Loan Closing** Upon Bank receipt of your signed commitment letter and good faith deposit, your loan will be assigned to HomeStreet Bank Lending Support to process closing documents. Your loan will typically close within 45 days from receipt of the signed commitment letter. If additional SBA documentation is required, your Loan Officer will work with you to collect the documents needed for the SBA submission.

The Loan Officer will provide you with a checklist of all the remaining items needed to close your loan, and will work with you to collect these items. Lending Support will also be available to answer any questions you have about the process and the closing checklist requirements. The faster these checklist requirements can be met, the faster the loan can close.

Once we have all of the items on the closing checklist and the items have been successfully reviewed, the loan closing will be scheduled. The Loan Officer will contact you with the time and place of the closing and discuss any items you may need to bring to the closing. Once all loan documents have been signed at the closing table, and recording numbers have been issued and reviewed by HomeStreet Bank, your loan proceeds will be disbursed as outlined in the commitment letter.

After closing the transaction, your HomeStreet Bank Loan Officer will remain your contact person should you have any questions regarding additional loan disbursements, loan payment issues, financial reporting requirements or any other questions that may arise.

For additional information on SBA lending programs as well as resources for small businesses, please visit [www.sba.gov](http://www.sba.gov). Additional SBA lending information may also be found at [www.homestreet.com/business/sbalending/](http://www.homestreet.com/business/sbalending/).