



SBA LOAN NO.

COMPENSATION AGREEMENT FOR SERVICES IN CONNECTION WITH APPLICATION AND LOAN FROM (OR IN PARTICIPATION WITH) SMALL BUSINESS ADMINISTRATION

The undersigned representative (attorney, accountant, engineer, appraiser, etc.) hereby agrees that the undersigned has not and will not, directly or indirectly, charge or receive any payment in connection with the application for or the making of the loan except for services actually performed on behalf of the Applicant. The undersigned further agrees that the amount of payment for such services shall not exceed an amount deemed reasonable by SBA (and, if it is a participation loan, by the participating lending institution), and to refund any amount in excess of that deemed reasonable by SBA (and the participating institution). This agreement shall supersede any other agreement covering payment for such services.

A general description of the services performed, or to be performed, by the undersigned and the compensation paid or to be paid are set forth below. If the total compensation in any case exceeds \$1,000 (or \$300 for: (1) regular business loans of \$15,000 or less; or (2) all disaster home loans) or if SBA should otherwise require, the services must be itemized on a schedule attached showing each date services were performed, time spent each day, and description of service rendered on each day listed.

The undersigned Applicant and representative hereby certify that no other fees have been charged or will be charged by the representative in connection with this loan, unless provided for in the loan authorization specifically approved by SBA.

GENERAL DESCRIPTION OF SERVICES

Paid Previously	\$ _____
Additional Amount to be Paid	\$ _____
Total Compensation	\$ _____

(Section 13 of the Small Business Act (15 USC 642) requires disclosures concerning fees. Parts 103, 108, and 120 of Title 13 of the Code of Federal Regulations contain provisions covering appearances and compensation of persons representing SBA applicants. Section 103.13-5 authorizes the suspension or revocation of the privilege of any such person to appear before SBA for charging a fee deemed unreasonable by SBA for services actually performed, charging of unreasonable expenses, or violation of this agreement. Whoever commits any fraud, by false or misleading statement or representation, or by conspiracy, shall be subject to the penalty of any applicable Federal or State statute.)

Dated _____, 19 _____
 _____ (Representative)
 By _____

The Applicant hereby certifies to SBA that the above representations, description of services and amounts are correct and satisfactory to the Applicant

Dated _____, 19 _____
 _____ (Applicant)
 By _____

The participating lending institution hereby certifies that the above representations of service rendered and amounts charged are reasonable and satisfactory to it.

Dated _____, 19 _____
 _____ (Lender)
 By _____

NOTE: Foregoing certification must be executed, if by a corporation, in corporate name by duly authorized officer and duly attested; if by a partnership, in the firm name, together with signature of a general partner.

PLEASE NOTE: The estimated burden hours for the completion of this form of SBA Form 147, 148, 159, 160, 160A, 529B, 928, and 1059 is 6 hours per response. You will not be required to respond to this information collection if a valid OMB approval number is not displayed. If you have any questions or comments concerning this estimate or other aspects of this information collection, please contact the U.S. Small Business Administration, Chief, Administrative Information Branch, Washington D.C. 20416 and/or Office of Management and Budget, Clearance Officer, Paperwork Reduction Project (3245-0201), Washington, D.C. 20503.

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U.S. SMALL BUSINESS ADMINISTRATION
POLICY AND REGULATIONS CONCERNING REPRESENTATIVES AND THEIR FEES

An applicant for a loan from SBA may obtain the assistance of any attorney, accountant, engineer, appraiser or other representative to aid him in the preparation and presentation of his application to SBA; however, such representation is not mandatory. In the event a loan is approved, the services of an attorney may be necessary to assist in the preparation of closing documents, title abstracts, etc. SBA will allow the payment of reasonable fees or other compensation for services performed by such representatives on behalf of the applicant.

There are no "authorized representatives" of SBA, other than our regular salaried employees. Payment of any fee or gratuity to SBA employees is illegal and will subject the parties to such a transaction to prosecution.

SBA Regulations (Part 103, Sec. 103.13-5(c)) prohibit representatives from charging or proposing to charge any contingent fee for any services performed in connection with an SBA loan unless the amount of such fee bears a necessary and reasonable relationship to the services actually performed; or to charge for any expenses which are not deemed by SBA to have been necessary in connection with the application. The Regulations (Part 120, Sec. 120.104-2) also prohibit the payment of any bonus, brokerage fee or commission in connection with SBA loans.

In line with these Regulations SBA will not approve placement or finder's fees for the use or attempted use of influence in obtaining or trying to obtain an SBA loan, or fees based solely upon a percentage of the approved loan or any part thereof.

Fees which will be approved will be limited to reasonable sums of services actually rendered in connection with the application or the closing, based upon the time and effort required, the qualifications of the representative and the nature and extent of the services rendered by such representatives. Representatives of loan applicants will be required to execute an agreement as to their compensation for services rendered in connection with said loan.

It is the responsibility of the applicant to set forth in the appropriate section of the application the names of all persons or firms engaged by or on behalf of the applicant. Applicants are required to advise the Regional Office in writing the names and fees of any representatives engaged by the applicant subsequent to the filing of the application. This reporting requirement is approved under OMB Approval Number 3245-0016.

Any loan applicant having any question concerning the payments of fees, or the reasonableness of fees, should communicate with the Field Office where the application is filed.