

Financial Fundamentals Personal Financial Statement and Debt Schedule Exercise

Jane Smith owns Smith's Beauty Supply Store and is looking for a loan to purchase the building she is currently renting. She needs to fill out a personal financial statement and business debt schedule for her loan application. Below is a list of financial assets and liabilities. Fill in the Personal Financial Statement and Debt Schedule based on the information below.

- Jane has \$1,000 in a personal checking account and \$10,000 in a personal savings account
- Smith's Beauty Supply Store has a loan with The Bank that she owes \$13,500 on. Jane originally borrowed \$30,000 for the business so she could purchase inventory when she first opened. The loan has an interest rate of 5%, and she has 5 years to pay it back. She got the loan January 30, 2019. Her monthly payment for the loan is \$566.14. The bank took the inventory she purchased as collateral.
- Jane's family has 3 cars, one in her and her husband's name, one in just her name, and one in just her husband's name.
 - 1995 Honda Civic: this car is worth about \$2,000 and is in her and her husband's name, however it is driven by their teenage son.
 - 2019 Toyota RAV4: this car is worth about \$30,000 and is in Jane's name only. She has a monthly car payment of \$400 and owes a total of \$20,000 on the car
 - 2012 Nissan Altima: this car is worth about \$7,000 and is in her husband's name only. He has a monthly payment of \$250 and owes \$5,000 on the car
- During the COVID-19 pandemic Smith's Beauty Supply Store had to close for 4 weeks and Jane realized she needed help to continue paying her employees. She was able to get an EIDL loan to help cover expenses. She received the EIDL loan on August 15, 2020 for \$50,000, and she will start repaying it in August of 2022. The interest rate is 3.75% and she will have 30 years to pay it back. Her monthly payment is \$231.56 and the loan had no collateral.
- Jane and her husband also own their home together. They bought the house in November of 2012 for \$225,000. The house is now worth \$250,000 and they owe \$150,000 on it. Their monthly mortgage payment is \$1,000 through The Bank.
- Jane has jewelry her grandmother gave her that is worth \$5,000
- Jane has 1 credit card
 - The Bank Credit Card with a balance of \$4,500, a monthly payment of \$75 and an APR of 19.5%
- Jane's Husband has an IRA with a balance of \$50,000

Business Debt Schedule

Furnish the following information on all installment debts, contracts, notes, furniture, fixtures, equipment, and mortgages payable. Do not include accounts payable or accrued liabilities.

Date* _____

Creditor Name and Address	Original Amount	Original Date	Present Balance	Interest Rate	Maturity Date	Monthly Payment	Current or Delinquent?	Security/Collateral for Original Loan	Original use of Proceeds
The Bank Address Here	\$ 30,000.00	01/30/2019	\$ 13,500.00	5.00	01/30/2024	\$ 566.14	Current	Inventory	Inventory Purchase
SBA EIDL	\$ 50,000.00	08/15/2020	\$ 50,000.00	3.75	08/15/2050	\$ 231.56	Current	N/A	Operating Expenses
							Choose one		
							Choose one		
							Choose one		
							Choose one		
							Choose one		
			\$ 63,500.00			\$ 797.70			
			Total Present Balance**			Total Monthly Payments**			

*Should be the same date as current financial statement.

**Total must agree with balance shown on current financial statement

All funding is through Equal Opportunity Loan Programs.



**PERSONAL FINANCIAL STATEMENT
7(a) / 504 LOANS AND SURETY BONDS**

U.S. SMALL BUSINESS ADMINISTRATION

As of _____, _____

SBA uses the information required by this Form 413 as one of a number of data sources in analyzing the repayment ability and creditworthiness of an application for an SBA guaranteed 7(a) or 504 loan or, with respect to a surety bond, to assist in recovery in the event that the contractor defaults on the contract. Submission of this information is required as part of your application for assistance. Failure to provide the information would impact the agency's decision on your application.

Complete this form for: (1) each proprietor; (2) general partner; (3) managing member of a limited liability company (LLC); (4) each owner of 20% or more of the equity of the Applicant (including the assets of the owner's spouse and any minor children); and (5) any person providing a guaranty on the loan

Return completed form to:

For 7(a) loans: the Lender processing the application for SBA guaranty

For 504 loans: the Certified Development Company (CDC) processing the application for SBA guaranty

For Surety Bonds: the Surety Company or Agent processing the application for surety bond guarantee

Name Jane Smith	Business Phone
Home Address	Home Phone
City, State, & Zip Code	
Business Name of Applicant	

ASSETS	(Omit Cents)	LIABILITIES	(Omit Cents)
Cash on Hand & in banks.....	\$ 1000	Accounts Payable.....	\$ _____
Savings Accounts.....	\$ 10000	Notes Payable to Banks and Others.....	\$ _____
IRA or Other Retirement Account.....	\$ 50000	(Describe in Section 2)	
(Describe in Section 5)		Installment Account (Auto).....	\$ 25000
Accounts & Notes Receivable.....	\$ _____	Mo. Payments \$ 650	
(Describe in Section 5)		Installment Account (Other).....	\$ _____
Life Insurance – Cash Surrender Value Only.....	\$ _____	Mo. Payments \$ _____	
(Describe in Section 8)		Loan(s) Against Life Insurance.....	\$ _____
Stocks and Bonds.....	\$ _____	Mortgages on Real Estate.....	\$ 150000
(Describe in Section 3)		(Describe in Section 4)	
Real Estate.....	\$ 250000	Unpaid Taxes.....	\$ _____
(Describe in Section 4)		(Describe in Section 6)	
Automobiles.....	\$ 39000	Other Liabilities.....	\$ 4500
(Describe in Section 5, and include		(Describe in Section 7)	
Year/Make/Model)		Total Liabilities.....	\$ 179500
Other Personal Property.....	\$ 5000	Net Worth.....	\$ 175500
(Describe in Section 5)			
Other Assets.....	\$ _____		
(Describe in Section 5)		Total	\$ 355000
Total	\$ 355000	*Must equal total in assets column.	

Section 1. Source of Income.	Contingent Liabilities
Salary.....	As Endorser or Co-Maker.....
Net Investment Income.....	Legal Claims & Judgments.....
Real Estate Income.....	Provision for Federal Income Tax.....
Other Income (Describe below)*.....	Other Special Debt.....

Description of Other Income in Section 1.

*Alimony or child support payments should not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Names and Addresses of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)	Primary Residence		
Address	Jane's address here		
Date Purchased	11/2012		
Original Cost	225,000		
Present Market Value	250,000		
Name & Address of Mortgage Holder	The Bank		
Mortgage Account Number	0000000		
Mortgage Balance	150,000		
Amount of Payment per Month/Year	1000		
Status of Mortgage	Current		

Section 5. Other Personal Property and Other Assets. (Describe, and, if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and, if delinquent, describe delinquency.)

1995 Honda Civic: \$2,000, 2019 Toyota Rav4: \$30,000, 2012 Nissan Altima: \$7,000; Jewelry: \$5,000

Section 6. Unpaid Taxes. (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities. (Describe in detail.)
Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies – name of insurance company and Beneficiaries.)

I authorize the SBA/Lender/Surety Company to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness.

CERTIFICATION: (to be completed by each person submitting the information requested on this form and the spouse of any 20% or more owner when spousal assets are included)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that SBA or its participating Lenders or Certified Development Companies or Surety Companies will rely on this information when making decisions regarding an application for a loan or a surety bond. I further certify that I have read the attached statements required by law and executive order.

Signature _____

Date _____

Print Name _____

Social Security No. _____

Signature _____

Date _____

Print Name _____

Social Security No. _____

NOTICE TO LOAN AND SURETY BOND APPLICANTS: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:

Knowingly making a false statement on this form is a violation of Federal law and could result in criminal prosecution, significant civil penalties, and a denial of your loan or surety bond application. A false statement is punishable under 18 U.S.C. §§ 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. § 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally-insured institution, a false statement is punishable under 18 U.S.C. § 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000. Additionally, false statements can lead to treble damages and civil penalties under the False Claims Act, 31 U.S.C. § 3729, and other administrative remedies including suspension and debarment.

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