

# SBA Appraisals

## Appraisals for Small Business Administration Loans

As an essential building block to our economy, small business loans jumpstart innovation and invigorate ideas. Gordon Brothers helps small business lenders by providing independent, Uniform Standards of Professional Appraisal Practice (USPAP) compliant appraisals performed by accredited appraisers that meet Small Business Administration (SBA) valuation requirements. Both 7(a) and 504 loans require the following:

- Real estate appraisal (if the SBA-guaranteed loan is greater than \$250,000 and is collateralized by commercial real property)
- Fixed asset appraisal (if the market value of the assets is greater than the depreciated value)
- A Business valuation (in cases of a change of ownership where the amount being financed including any 7(a), 504, seller, or other financing minus the appraised value of the real estate and/or equipment being financed is greater than \$250,000). Also if there is a close relationship between the buyer and seller

Of course some lenders' internal policies and procedures might require an independent business valuation to be conducted in circumstances beyond those required by the SBA. Ensure your fixed asset, real estate, and business enterprise valuations are in full compliance with SBA requirements and your lender by choosing Gordon Brothers.

## Independent

According to SBA guidelines, "the lender must obtain an independent business valuation from a qualified source" when one is required. Gordon Brothers is independent.

## Accredited

Gordon Brothers meets the SBA's requirement of a "qualified source." Our primary business is to appraise businesses and business assets and our firm's professionals are members of, and are certified by, or receive continuing education from numerous professional appraisal organizations including:

- *American Society of Appraisers (ASA)*
- *National Association of Certified Valuation Analysts (NACVA)*
- *American Institute of Certified Public Accountants (AICPA)*

## USPAP Compliant

Appraisal reports for SBA loan guarantee purposes must be compliant with the USPAP and SBA Standard Operating Procedures 50-10(5)(b), as required by the SBA. The valuation must also consider all three approaches to value (cost, market, and income) and quantify and support the ultimate business valuation or machinery & equipment conclusion. Gordon Brothers' reports comply with all of the above requirements.

Lenders involved in SBA-lending should qualify valuation firms carefully to ensure compliance with SBA requirements. Be confident your appraisal will withstand regulatory scrutiny by hiring Gordon Brothers.