

# Hotel Financing Checklist

## STEP 1: Each guarantor has to fill out the following forms

### 1) Form 413 - Personal Financial Statement

See form on [www.scicap.com/checklist.html](http://www.scicap.com/checklist.html)

- The LIABILITIES must be at least equal to your balances in your credit report
- Provide bank statements supporting your liquid assets (Checking, Savings, IRA, Stock account, etc.)
- In community states such as CA, spouse has to sign the form
- In Section 4 of this form (Real Estate Owned), only include real estate that is owned individually under your name - Any real estate owned under an entity name should be listed in the form REO below

### 2) Form REO (Real Estate Owned)

See form on [www.scicap.com/checklist.html](http://www.scicap.com/checklist.html)

Use this form to list all properties that are owned under an entity such as an LLC or a Corporation and in which the guarantor has 20% or more ownership interest

### 3) Form 912 - Statement of Personal History

See form on [www.scicap.com/checklist.html](http://www.scicap.com/checklist.html)

Fill out the following fields:

- Name of the Applicant (Entity under which hotel's title is held)
- Item 1: Your name
- Item 3: Date of Birth
- Item 4: Place of Birth
- Item 5: Citizenship
- Item 6: Current and previous address and effective dates
- Items 7,8,9 checkboxes
- Signature, Title, and Date fields

### 4) Business Debt Schedule

See form on [www.scicap.com/checklist.html](http://www.scicap.com/checklist.html)

Use one form per each business owned by the guarantor

### 5) PBA Form - Personal Budget Analysis

See form on [www.scicap.com/checklist.html](http://www.scicap.com/checklist.html)

### 6) Management Resume Form

### 7) 4506 Form - IRS Transcript Request

See form on [www.scicap.com/checklist.html](http://www.scicap.com/checklist.html)

Guarantors need one form for personal transcript (with Social Security Number of the guarantor and the spouse with both signing the form) and one form per affiliate using Tax ID (EIN) of the affiliate business or hotel

## Hotel Financing Checklist

### STEP 2: Each guarantor offers these Personal Financial Documents

#### 8) Borrowers' Credit Profile

Credit reports will be pulled by the lender after each partner has signed an authorization form. However, to start the process, a consumer credit profile is needed for each guarantor and may be obtained free at the Annual Credit Report web site. A FICO score should be obtained from Equifax (There may be minimal charge for the Equifax score)

#### 9) Borrowers' Personal Tax Returns

All guarantors need to provide three years of personal Federal tax return

#### 10) Financials of Other Businesses or Hotels

For each hotel or business in which guarantor has 20% or more partnership, the guarantor has to provide the following information:

- Three year tax return for each business
- Prior year K1s for each business
- This year's Interim profit and loss statement and balance sheet

#### Notes

### STEP 3: Provide information on the subject hotel

#### 11) Hotel's three years of tax returns

#### 12) Interim financial statements

The profit and loss has to be within 60 days. For refinancing, a balance sheet of the same cut off date is required

#### 13) Purchase contract

If this is an acquisition- Escrow information including escrow and title officer's contact information is required as well

#### 14) Current promissory note if this is a refinance

#### 14) Last mortgage statement of the hotel if this is a refinance

#### 15) Land lease contracts

#### 16) Franchise agreement or the franchise application/approval

If an acquisition, a copy of the franchisor's conditional acceptance of the franchise application, If a refinance, a copy of the franchise agreement

## Hotel Financing Checklist

### **15) Latest franchise inspection quality report and the PIP**

In case of a franchise hotel, the latest inspection report, the PIP, and reliable cost estimate of the PIP. In case of a refinance where the PIP cost is included in the new loan, a formal cost breakdown and proposals from vendors is required. Additionally, if the PIP involves construction, then an itemized bid from a contractor is needed.

### **16) Few current exterior and interior photos of the hotel**

### **17) Customer segmentation**

Percentage occupancy of Transit, business, contracts, government, colleges, tourism, etc.

### **18) Major industry or the attraction**

Is there a change in the local economy such as industries leaving or coming to the area, new tourist attractions being developed, etc.

### **19) List of hotels in direct competition with the subject hotel**

### **20) List of new hotels being built or are planned to be built in the area**

### **21) Hotel specifications**

- Address - Is the property a corner lot?
- Number of rooms?
- sqft of the hotel?
- Lot size of the lot size of the hotel - NOTE: If the lot consists of a number of parcels and the size of each parcel?
- Number of buildings?
- Number of floors (if more than one building, number of floors per building)?
- Hotel has elevators?
- Hotel has canopy?
- Corridors (Exterior or Interior)?
- Any survey available?
- Any latest appraisal or environmental report available?

### **Notes**