

The SBA's SOP revision 50 10 5 (D) is scheduled to go into effect October 1, 2011.

The revisions to the environmental requirements of the SOP include:

Indemnification: The Third Party Indemnitor cannot be the borrower or operating company.

Regarding Special Use Facilities: The revisions clarify that "residential care facilities" are those occupied by children. If constructed prior to 1980, residential care facilities occupied by children must undergo lead paint and lead in drinking water testing (as with daycare, childcare or nursery schools.)

Regarding the Environmental Questionnaire:

- ❖ An Environmental Professional may, but is not required to, assist with the responses to the questionnaire.
- ❖ The questionnaire utilized for the ASTM Transaction Screen (E1528-06) can be used as the SBA Environmental Questionnaire.

A "Multi-Unit Building" definition is added: It means any non-industrial, multi-unit building that is comprised of four or more individual units.

Who may conduct the "Phase I Environmental Site Assessment": The definition clarifies that "a person who does not qualify as an Environmental Professional may assist in the conduct of All Appropriate Inquiries, if such person is under the supervision or responsible charge of a person meeting the definition of an Environmental Professional when conducting such activities provided an Environmental Professional reviews and signs the Phase I ESA." This echoes the EPA's requirements regarding persons who may participate in conducting the Phase I ESA.

"Car Wash Only" facilities: An exception is added to NAICS code 8111 Automotive Repair & Maintenance for car wash only facilities, for which a Transaction Screen is an acceptable starting point.

Requirements Pertaining to Gas Station Loans

- ❖ Requirements now also apply to any "commercial fueling facility", in addition to gas stations.
- ❖ Regarding equipment testing and compliance: Because not all states require tank and equipment testing every year, the Environmental Professional must now determine whether the gas station is in compliance with all state requirements, if any, pertaining to tank and equipment testing (rather than requiring that equipment testing was conducted within 12 months prior to the environmental investigation).

Please contact **Partner** for your free laminated copy of our **SBA Steps of an Environmental Investigation Flowchart**.

Partner Engineering and Science, Inc.
Your up-to-date source for SBA Environmental Due Diligence.

For questions contact Gary Reynolds or Marshall Stanclift at 800-419-4923 or
SBAExperts@PARTNEResi.com.