AMBERLANE
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Clarity behind every credit decision.

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SBA 7(a) Acquisition Package Checklist

Under SOP 50 10 8.1 (effective 1 October 2026) · Amberlane Consulting Limited

A one-stop list for brokers and lenders preparing a change-of-ownership 7(a) file under the new rules. Use it before the file goes to credit, not after.

1. Classify the deal first

SOP 50 10 8.1 sorts changes of ownership into four categories (Appendix 15). The category sets the DSCR minimum, whether the injection can be reduced, and whether a quality-of-earnings report is required.

Category	Minimum DSCR	10% injection reducible?	QoE if purchase price ≥ $3m
Initial acquisition	1.25x	No	Yes
Business expansion	1.15x	Lender may reduce, with documented liquidity	Yes
Owner buyout	1.25x	Lender may reduce, with documented liquidity	No
ESOP / cooperative	1.25x	Exempt	No

2. Cash flow and DSCR

- ☐ DSCR meets the category minimum on historical or adjusted historical cash flow: the last fiscal year or the average of the last two.
- ☐ Projections reviewed but not relied on to pass the test.
- ☐ Every add-back documented (owner compensation, one-time costs), with a market salary deducted for the new owner-operator.
- ☐ Seller note not on full standby included in debt service (reported treatment: imputed 10-year amortization).
- ☐ Global cash flow run for all guarantors: personal income, taxes, living costs and personal debt.
- ☐ Sensitivity shown: revenue decline and rate rise; break-even revenue decline stated.

3. Equity injection

- ☐ Injection of at least 10% of total project cost.
- ☐ "Limited" sources (seller debt on full standby, other standby debt, equity from non-controlling minority investors) supply no more than 50% of the required injection, individually or combined.
- ☐ The remainder from "unlimited" sources, such as the buyer's own unborrowed cash, and verified with bank statements showing the funds and where they came from.

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- ☐ Any seller note counted as equity is on full standby (no principal or interest) for the life of the 7(a) loan, on the lender's standby agreement.
- ☐ Worked example: project $2,410,000 → required injection $241,000 → limited sources at most $120,500.

4. Valuation, QoE and structure

- ☐ Independent business valuation from a qualified source for every acquisition; total acquisition debt does not exceed it.
- ☐ Independent quality-of-earnings report, commissioned for the lender, when the business purchase price (excluding owner-occupied real estate) is $3 million or more, for initial acquisitions and business expansions.
- ☐ Loan is a standard 7(a): 7(a) Small can no longer fund acquisitions.
- ☐ Amortization: business portion up to 10 years; only the real estate portion may run longer.
- ☐ Seller consulting or transition period within 24 months in aggregate.
- ☐ Security interest in the operating company's accounts receivable and inventory.

5. Documents to collect

Business (target)	Buyer and guarantors
Business tax returns, last 3 years	Personal tax returns, last 3 years
Year-end financial statements, last 3 years, and current interim P&L and balance sheet	Personal financial statement for each guarantor
Accounts receivable and payable agings	Résumé showing relevant management or industry experience
Debt schedule (what is paid off at closing, what stays)	Bank statements proving the cash injection and its source
Letter of intent or purchase agreement	Credit authorizations
Lease (or real estate documents) and key contracts	Entity documents for the acquiring company
Seller note terms and standby agreement	Ownership chart of the acquiring company
Business valuation; QoE report if required	Evidence of eligibility as required by the SOP and lender

Typical document set; each lender adds its own list. Confirm citizenship and other eligibility requirements against the current SOP.

6. Before you submit

- ☐ Sources and uses balance to the dollar.
- ☐ Every number in the memo ties to a source document or the spread.

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- ☐ Fee disclosures prepared by the lender as the SBA requires (e.g. Form 159 where applicable).
- ☐ Credit memo explains the category, the DSCR on both measures, the injection sources, collateral and the main risks with mitigants.

Need the analysis done?

Amberlane Consulting Limited prepares financial spreads, DSCR and global cash flow, and lender-ready credit memos and SBA packages in 48 hours. First deal: $250 pilot. Contact: [email] · [booking link]

Sources: summaries of SOP 50 10 8.1 by Pioneer Capital Advisory (25 Aug 2026), Doeren Mayhew (24 Aug 2026) and Beancount.io (23 Sep 2026); American Banker (9 Oct 2026). This checklist is a practical aid, not legal or compliance advice. The SOP and the lender's credit policy govern; check them for every file.

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