

not caused significant damage to the collateral value and marketability of the Property, approval or disbursement may be considered if:

- (1) Another Person with sufficient resources is performing Remediation pursuant to a Remediation action plan that has been approved by the appropriate Governmental Entity; or
  - (2) The state has laws or regulations that provide that an owner or operator of property will not be responsible for Contamination from another site; or
  - (3) The Governmental Entity provides satisfactory written assurance that it will not hold the Property owner liable for the Contamination. Lender should attempt to have lender and SBA included by name in the letter along with the Property owner and future purchasers.
- h) Additional or Substitute Collateral. If additional or substitute collateral is being pledged, or an additional equity contribution is being made, sufficient to overcome the potential loss due to Contamination, then approval or disbursement may be considered.
- i) “Other Factor(s)”. Lender and SBA may rely on factors other than or in addition to the eight referenced above when considering approval or disbursement. For example, the existence of adequate environmental insurance, bonds, agreements not to sue present and future property owners from the Governmental Entity, Engineering and Institutional Controls, etc. However, reliance solely upon “Other Factor(s)” requires clearance from the SBA Environmental Committee. This requirement extends to PLP, SBA Express and Pilot Loan Program lenders.

PLP, SBA Express and Pilot Loan Program lenders must follow these guidelines, but they do not have to submit documentation or obtain SBA’s concurrence prior to approval or disbursement of the loan, unless they are relying solely upon the “Other Factor(s)” in subparagraph 4.i) above.

#### H. Special Use Facilities

Prudent lending practices dictate that specific additional environmental assessments be performed for certain special use facilities. For example, Property constructed prior to 1980 that will be used for daycare or child care centers or nursery schools must undergo a lead risk assessment (for lead based paint) and testing for lead in drinking water, and the results of these assessments must be submitted to the SBA. Disbursement will not be authorized unless the risk of lead exposure to infants and small children has been sufficiently minimized. Individuals living in residential care facilities constructed prior to 1980 may also be at increased risk for lead exposure and prudent lending practices dictate that these facilities also undergo a lead risk assessment. On-site dry cleaning facilities, which may have utilized tetrachloroethene (PCE) and trichloroethene (TCE) in the course of their business operations, may present significant clean-up costs if these contaminants have entered the soil or groundwater. Prudent lending practices dictate and SBA requires that on-