

financed is \$250,000 or less, the lender may perform its own valuation of the business being sold, unless the lender's internal policies and procedures require an independent business valuation from a qualified source.

- b) If the amount being financed minus the appraised value of real estate and/or equipment is greater than \$250,000 or if there is a close relationship between the buyer and seller (for example, transactions between family members or business partners), the lender must obtain an independent business valuation from a qualified source.
- c) A "qualified source" is an individual who regularly receives compensation for business valuations and is either:
 - (1) A licensed Certified Public Accountant (CPA) that performs the business valuation in accordance with the "Statement on Standards for Valuation Services" published by the American Institute of Certified Public Accountants (AICPA); or
 - (2) Accredited by one of the following recognized organizations:
 - (a) Accredited Senior Appraiser (ASA) accredited through the American Society of Appraisers;
 - (b) Certified Business Appraiser (CBA) accredited through the Institute of Business Appraisers;
 - (c) Accredited in Business Valuation (ABV) accredited through the American Institute of Certified Public Accountants;
 - (d) Certified Valuation Analyst (CVA) accredited through the National Association of Certified Valuation Analysts; and
 - (e) Accredited Valuation Analyst (AVA) accredited through the National Association of Certified Valuation Analysts.
- d) In order for the individual performing the business valuation to identify the scope of work appropriately, the business valuation must be requested by and prepared for the lender. The business valuation must include the individual's opinion of value, the qualifications of the individual performing the valuation and their signature certifying to the information contained in the valuation. The cost of the valuation may be passed on to the Small Business Applicant.
- e) The lender may use a going concern appraisal to meet these requirements if:
 - (1) The loan proceeds will be used to purchase a special use property;
 - (2) The appraisal is performed by an appraiser experienced in the particular industry; and
 - (3) The appraisal allocates separate values to the individual components of the transaction including land, building, equipment and intangible assets.