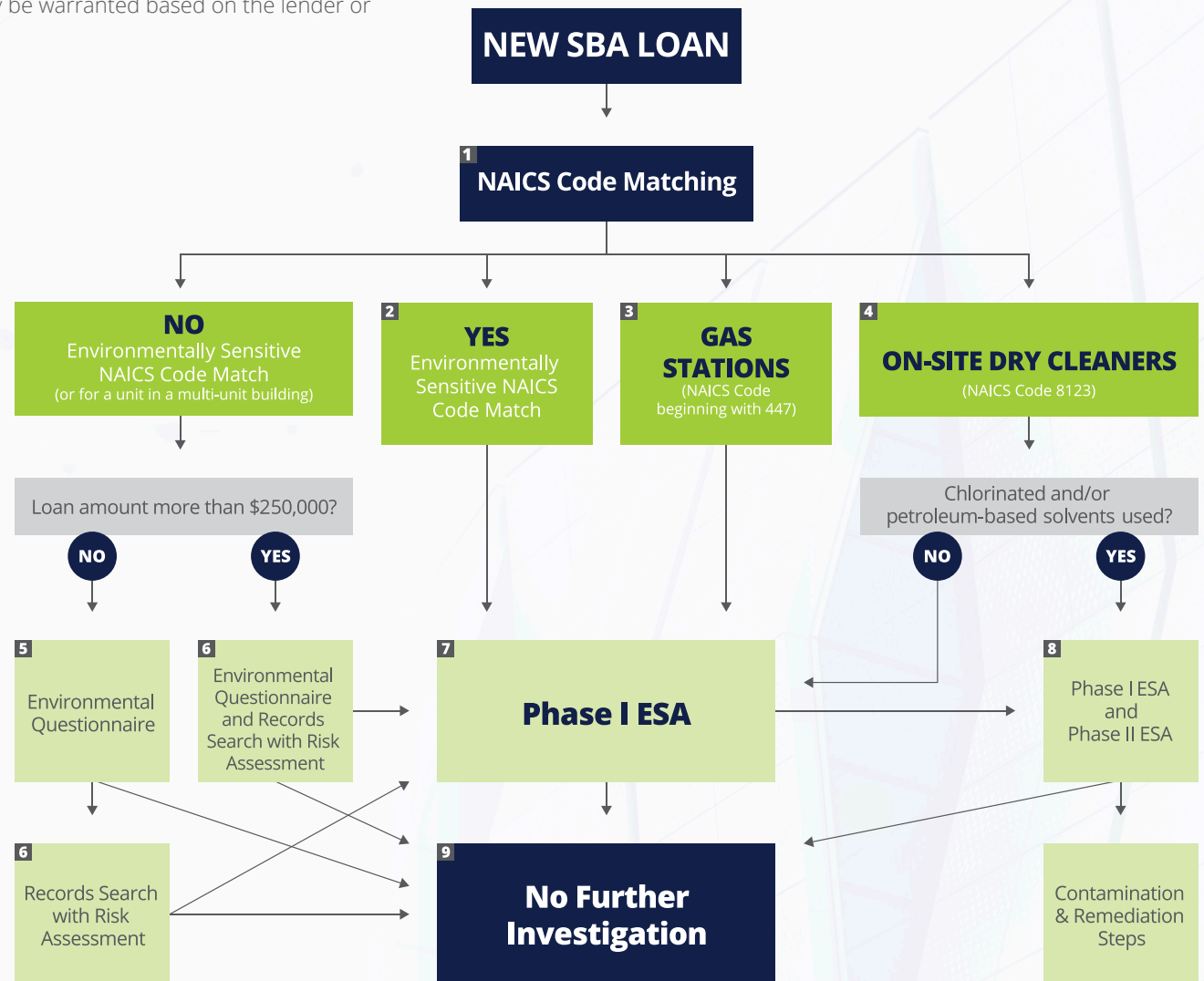


# The Steps of an SBA Environmental Investigation

This flow chart represents the steps required by the U.S. Small Business Administration and its Standard Operating Procedures SOP 50 10 6 for lender and certified development company (CDC) 7a and 504 loan programs. More stringent due diligence may be warranted based on the lender or CDC's policies and prudent lending practices.

1. Determine NAICS codes for current and known past uses of the property, compare to the SBA list of codes for environmentally sensitive industries (see back side for NAICS codes).
2. If car wash only facility, a Transaction Screen is acceptable.
3. NAICS code beginning with 447 (gas stations). Reference Appendix 5 of SOP for detailed requirements that apply to current and former gas station properties.
4. Properties with on-site dry cleaning facility, whether in operation or operated historically at the site, that did, does or likely used chlorinated and/or petroleum-based solvents require a Phase II Environmental Site Assessment AND Phase I Environmental Site Assessment.
5. If the environmental questionnaire reveals the need for further investigation, lender or CDC must obtain a Records Search with Risk Assessment at minimum. If the current owner does not sign the questionnaire, the lender must obtain a Transaction Screen.
6. Search of agency databases listed in the EPA's AAI rule, search of historical-use records for the property and adjoining properties, (identify property uses back to first use, or to 1940) and an EP risk assessment. If the findings reveal an "elevated risk" or "high risk", must obtain at a minimum a Phase I.
7. Phase I ESA: refer to Appendix 4 of the SOP for SBA definitions of the Phase I ESA and other environmental terms. If Phase I ESA concludes further investigation is needed, the lender or CDC must proceed as recommended by the EP or, alternatively, submit the results to the SBA and seek approval for not following EP's recommendation, providing a rationale for the "rare instance" when an exception may be warranted.
8. Both Phase I ESA and Phase II ESA needed. Phase II ESA conducted for dry cleaner properties must be conducted by an independent environmental professional holding a Professional Engineer's or Professional Geologist's license and has three years of relevant experience. If the Phase II ESA reveals contamination, lender or CDC could still make the loan if includes contamination levels as well as remediation requirements, cost, and schedule.
9. Lender or CDC must submit results of the investigation to the SBA with recommendations and seek SBA concurrence.

**NOTE ON SPECIAL USE FACILITIES:** SBA requires that certain "special use facilities" such as properties constructed before 1980 that will be used for daycare, nursery schools, or residential care facilities occupied by children undergo lead risk assessments for lead-based paint and testing for lead in drinking water.



# NAICS Codes of Environmentally Sensitive Industries

For your convenience, below is a list of NAICS codes that the SBA has identified as Environmentally Sensitive Industries.

## KEY:

**A 3 DIGIT** NAICS code includes all industries beginning with those 3 digits.

**A 4 DIGIT** NAICS code includes all industries beginning with those 4 digits.

**A 5 DIGIT** NAICS code includes all industries beginning with those 5 digits.

**A 6 DIGIT** NAICS code includes only that industry under that industrial code.

## NAICS Codes

<b>211</b>	OIL & GAS EXTRACTION	<b>441</b>	MOTOR VEHICLE AND PARTS DEALERS (if service bays present)
<b>212</b>	MINING (EXCEPT OIL & GAS)	<b>447</b>	GASOLINE STATIONS
<b>213</b>	SUPPORT ACTIVITIES FOR MINING	<b>45431</b>	FUEL DEALERS (not required for propane or firewood dealers)
<b>237</b>	HEAVY & CIVIL ENGINEERING CONSTRUCTION	<b>481</b>	AIR TRANSPORTATION
<b>311</b>	FOOD MANUFACTURING (if underground fuel tanks present)	<b>482</b>	RAIL TRANSPORTATION
<b>312</b>	BEVERAGE & TOBACCO PRODUCT MANUFACTURING (except breweries, 31212)	<b>484</b>	TRUCKING (if service bays, truck washing, or fuel tanks present)
<b>313</b>	TEXTILE MILLS (not required if sewing, weaving, or hemming only)	<b>486</b>	PIPELINE TRANSPORTATION
<b>314</b>	TEXTILE PRODUCT MILLS (not required if sewing, weaving, or hemming only)	<b>488</b>	Support Activities for Transportation (if fuel tanks are present or if repairs or maintenance is performed on site)
<b>316</b>	LEATHER & ALLIED PRODUCT MANUFACTURING (not required if assembly only)	<b>53212</b>	TRUCK, UTILITY TRAILER, AND RV (RECREATIONAL VEHICLE) RENTAL & LEASING (if repairs, maintenance, or vehicle washing are performed onsite)
<b>321</b>	WOOD PRODUCT MANUFACTURING (if finishing occurs on site)	<b>53241</b>	CONSTRUCTION, TRANSPORTATION, MINING & FORESTRY MACHINERY & EQUIPMENT RENTAL & LEASING (if repairs, maintenance, or vehicle washing are performed onsite)
<b>322</b>	PAPER MANUFACTURING	<b>53249</b>	OTHER COMMERCIAL & INDUSTRIAL MACHINERY & EQUIPMENT RENTAL & LEASING (if repairs, maintenance, or vehicle washing are performed onsite)
<b>323</b>	PRINTING & RELATED SUPPORT ACTIVITIES	<b>54138</b>	TESTING LABORATORIES
<b>324</b>	PETROLEUM & COAL PRODUCTS MANUFACTURING	<b>56171</b>	EXTERMINATING & PEST CONTROL SERVICES
<b>325</b>	CHEMICAL MANUFACTURING	<b>562</b>	WASTE MANAGEMENT & REMEDIATION SERVICES
<b>326</b>	PLASTICS & RUBBER PRODUCTS MANUFACTURING (not required if assembly only)	<b>6221</b>	GENERAL MEDICAL & SURGICAL HOSPITALS (if fuel tanks are present)
<b>327</b>	NONMETALLIC MINERAL PRODUCTS MANUFACTURING	<b>713990</b>	OTHER RECREATIONAL INDUSTRIES (indoor and outdoor shooting ranges only)
<b>331</b>	PRIMARY METAL MANUFACTURING	<b>71391</b>	GOLF COURSES & COUNTRY CLUBS
<b>332</b>	FABRICATED METAL PRODUCT MANUFACTURING (not required if assembly only)	<b>71392</b>	SKIING FACILITIES
<b>333</b>	MACHINERY MANUFACTURING (not required if assembly only)	<b>71393</b>	MARINAS
<b>334</b>	COMPUTER & ELECTRONIC PRODUCT MANUFACTURING (not required if assembly only)	<b>7212</b>	RV (RECREATIONAL VEHICLES) PARKS & RECREATIONAL CAMPS (if fuel tanks are present or if vehicle repairs or maintenance is performed onsite)
<b>335</b>	ELECTRICAL EQUIPMENT, APPLIANCE & COMPONENT MANUFACTURING (not required if assembly only)	<b>8111</b>	AUTOMOTIVE REPAIR & MAINTENANCE (except for "car wash only" facilities, for which a Transaction Screen is an acceptable starting point)
<b>336</b>	TRANSPORTATION EQUIPMENT MANUFACTURING	<b>8112</b>	ELECTRONIC & PRECISION EQUIPMENT REPAIR & MAINTENANCE (not required if assembly only)
<b>337</b>	FURNITURE & RELATED MANUFACTURING (if finishing occurs on site)	<b>8113</b>	COMMERCIAL & INDUSTRIAL MACHINERY & EQUIPMENT REPAIR & MAINTENANCE
<b>339</b>	MISCELLANEOUS MANUFACTURING (only required if hazardous materials are involved)	<b>8122</b>	DEATH CARE SERVICES (unless no embalming or cremation at the Property)
<b>42311</b>	AUTOMOBILE & OTHER MOTOR VEHICLE MERCHANT WHOLESALERS (if service bays present)	<b>8123</b>	LAUNDRY & DRY CLEANING SERVICES (if dry cleaning operations have ever existed on site)
<b>42314</b>	MOTOR VEHICLE PARTS (USED) MERCHANT WHOLESALERS	<b>812921</b>	PHOTOFINISHING LABORATORIES (except one hour)
<b>4235</b>	METAL & MINERAL MERCHANT WHOLESALERS		
<b>42393</b>	RECYCLABLE MATERIAL MERCHANT WHOLESALERS		
<b>4246</b>	CHEMICAL & ALLIED PRODUCTS MERCHANT WHOLESALERS		
<b>4247</b>	PETROLEUM & PETROLEUM PRODUCTS MERCHANT WHOLESALERS		