

# Environmental Questionnaire and/or Record Search with Risk Assessment

“Environmental Questionnaire” means the questionnaire used by a Lender to determine the likelihood that Contamination may be present at the Property offered to secure an SBA guaranteed loan. Environmental Questionnaires must be completed or reviewed by a Lender that has made at least one site visit to the Property and a good faith effort to conduct an interview with the current owner or operator of the site. An Environmental Questionnaire may be considered if it was completed up to one year prior to submission. The current owner or operator of the site must sign the Environmental Questionnaire.

“Records Search with Risk Assessment” means and includes (1) a search of the government databases identified in 40 CFR § 312.26 for an AAI compliant Phase I as well as a search of historical use records (for example, aerial photography, city directories, reverse directories and/or fire insurance maps) pertaining to the Property and Adjoining Properties; and (2) a risk assessment by an Environmental Professional based on the results of the records search as to whether the Property is either “low risk” or “elevated risk” or “high risk” for Contamination. The choice of historical records to be reviewed on any particular site is at the discretion of the Environmental Professional. The report must identify by name the Environmental Professional that performed the risk assessment.

These reports meet or exceeds the risk assessment screening requirements of the Small Business Administration (SBA) and most lenders, and it contains a search of the databases of federal, state and local regulatory agencies, a search of historical use records of the subject property and adjoining sites, and a risk assessment by an Environmental Professional that concludes the subject property is either a “high risk” or a “low risk” for contamination. This report does not meet the federal “All Appropriate Inquiries” standards and requirements, and it does not meet ASTM standards for a Phase I Environmental Site Assessment Report or an Environmental Site Assessment Transaction Screen Report.

## Preparers of Environmental Questionnaires and/or Record Searches with Risk Assessment

Often a multi-disciplinary approach is taken in compiling all the components of a Transaction Screening study, since skills in chemistry, atmospheric physics, geology, microbiology and even botany are frequently required. Many of the preparers are environmental scientists who have been trained to integrate these diverse disciplines.

Most Environmental Questionnaires and/or Records Searches with Risk Assessment are conducted by private companies independent of the owner or potential purchaser of the land.