

REVOLVING LOAN FUND APPLICATION

CENTRAL ALABAMA REGIONAL PLANNING AND DEVELOPMENT COMMISSION

**125 WASHINGTON AVENUE, THIRD FLOOR
MONTGOMERY, ALABAMA 36104
PHONE: 334.262.4300**

June 2000

**CENTRAL ALABAMA REGIONAL PLANNING
AND DEVELOPMENT COMMISSION
125 WASHINGTON AVENUE ♦ THIRD FLOOR
MONTGOMERY, AL ♦ 334.262.4300**

Understanding the Application Process

Application Process:

The deadline for submitting applications is the first working day of every month. All applications must be typed and completed when submitted. Incomplete and/or handwritten applications will not be presented to our Loan Review Committee. Completed applications should be submitted to our office at 125 Washington Avenue, Third Floor, Montgomery, Alabama 36104.

Information substantiating total project cost must be included. This consists of, but is not limited to:

- itemized contractor's bid for construction or renovation;
- quotes for equipment to be purchased;
- sales agreements;
- breakdown of working capital

Commitment letters from any/all participating lenders must be included with the application. Additionally, exhibits that relate specifically to the borrower must also be included.

Fees:

A \$250.00 non-refundable application is due with the submission of this application. A service fee of one-half of one percent (0.5%) will be assessed annually to your principal outstanding balance on the anniversary of the loan.

Review Process:

Loan review meetings will generally be held on an as-needed basis. CARPDC staff will notify the applicant in writing within 48 hours after the meeting whether the application was approved or declined. If approved for RLF funds, the borrower will receive a commitment letter stating the collateral requirements, terms of the loan, etc. It is important that the borrower and the borrower's attorney review the commitment letter carefully before the borrower signs it. Once our office receives the signed commitment letter, our attorney will prepare the closing documents and mail them to the borrower's attorney.

Loan Closing:

CARPDC will not supplant private financing; therefore, our RLF loan funds **will not be disbursed** until all private financing and equity portions have been injected. Proof of injection and expenditures will be required at closing. If all costs are not substantiated, then the loan proceeds will be placed into an escrow account until all proceeds are spent. After a loan has been closed and placed into escrow, the borrower is responsible for repayment of the total loan as outlined in the Note.

Additional:

The borrower agrees that any funds spent prior to approval by the CARPDC Loan Review Committee will be at the borrower's risk. This includes, but is not limited to, expenses for appraisals, environmental reviews, etc.

CARPDC will obtain a credit report on your company as well as the principal(s)/guarantor(s).

I have read, understand and agree to all of the above.

Signature

Date

(REMIT \$250 with this application)

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REVOLVING LOAN FUND PROGRAM APPLICATION

The purpose of the RLF is to support business activities for which credit is not otherwise available on terms and conditions that would permit completion and/or the successful operation or accomplishment of the project below. The lender reserves the right to recall the loan if these requirements are not met. All questions should be answered or indicated to be inapplicable.

Company Name (applicant): _____

Borrower Name (beneficial owner): _____

Contact Person: _____

Business Address: _____

Telephone: _____

Principal Business Activity: _____

Date company incorporated: _____ SIC Code: _____

Type of Business:

____ Corporation ____ Proprietorship ____ Sub Chapter - S Corporation

____ Partnership ____ Limited Partnership ____ Woman Owned ____ Minority Owned

If applicant is a corporation, identify the officers, directors and principal shareholders, giving complete name and address for each:

If applicant is a partnership, give complete name and address of each partner:

I. PROJECT DESCRIPTION

Generally describe the project, giving purpose of loan. Supply here any information (not specifically requested in this application) you feel is necessary to an understanding of the project. Provide information and supporting documentation regarding the need for public financing. Attach additional sheets as necessary.

II. PLAN FOR FINANCING PROJECT

(Note: RLF loans will ordinarily range between \$10,000 and \$150,000; however, on certain projects the maximum loan amount can be raised. The owner must provide a minimum of 10% equity. RLF's participation cannot exceed 1/3 of the total project cost.)

A.	Financing		
1)	Bank Loan(s) (identify)		
	Source_____	Amount \$_____	
	Source_____	Amount \$_____	
	Source_____	Amount \$_____	
2)	Other Private Resources:		
	Source_____	Amount \$_____	
	Source_____	Amount \$_____	
3)	RLF Loan	Amount \$_____	
4)	Other Public Sources:		
	Source_____	Amount \$_____	
	Source_____	Amount \$_____	
	Source_____	Amount \$_____	

B. Term of loan (Note: Working capital loans cannot exceed five (5) years and shall be amortized during its term. Fixed asset loans will not be for a greater term than the life of the fixed assets.)

Repayment: _____

Requested Interest Rate: _____

C. Is this loan request for: Fixed Assets: _____
 Working Capital: _____
 Refinancing: _____

D. Identify all lending institutions and agencies that have been contacted concerning financing of the project, which you do not anticipate will participate in the project financing:

(1) _____
 Approved financing () Disapproved financing ()

(2) _____
 Approved financing () Disapproved financing ()

(3) _____
 Approved financing () Disapproved financing ()

Reasons for each disapproval:

(1) _____

(2) _____

(3) _____

III. GENERAL INFORMATION

A.	Is This:
(1)	A New Venture? Yes:____ No:____
(2)	An Expansion of Existing Business Yes:____ No:____
B.	Does Project Involve a Relocation? Yes:____ No:____
C.	For loans to corporations) Has the Board of Directors Approved The Loan Application? Yes:____ No:____
D.	Do you have a Market Analysis of the Effect of Project? Yes:____ No:____

IV. SALES INFORMATION

A.	<u>Sales</u>
1)	Last Year Sales (for established businesses only) \$ _____
2)	This Year Projected Sales (for established businesses only) \$ _____
3)	One Year Projected Sales After Disbursements of Loan (all applicants) \$ _____
B.	<u>Income</u> (before taxes)
1)	Last Year Net Income (for established businesses only) \$ _____
2)	This Year Projected Income (for established businesses only) \$ _____
3)	One Year Projected Net Income After Loan is Disbursed(all applicants) \$ _____

V. COST ELEMENTS OF PROJECT

A.	Land Improvements (e.g. landscaping)	\$ _____
B.	Land	\$ _____
C.	Construction	\$ _____
D.	Machinery/Equipment	\$ _____
E.	Architect/Engineer	\$ _____
F.	Other Cost Interim	\$ _____
G.	Interest	\$ _____
H.	Contingency	\$ _____
I.	Refinancing	\$ _____
J.	Working Capital	\$ _____
K.	Legal	\$ _____
L.	Accounting	\$ _____
M.	Other: _____	\$ _____
	TOTAL:	\$ _____

These estimates are based on:

Tentative Plans of applicant: _____
 Detailed Plans & Specifications: _____
 Other: _____

VI. SUMMARY OF COLLATERAL OFFERED

(attach separate sheets describing nature and value of assets offered as collateral; attach copy of deeds for real estate)

Assets		Original Cost	Present Market Value	Present Liens or Mortgage Balance, if any
A.	Land			
B.	Buildings			
C.	Business Machinery & Equipment			
D.	Business Furniture & Fixtures			
E.	Accounts Receivable			
F.	Inventory			
G.	Other			

H. If applicant is a corporation, are any individuals willing to guarantee the loan?

Yes:____ No:____

I. If applicant is an individual or partnership, are any persons other than applicants(s) willing to guarantee the loan.

Yes:____ No:____

J. If applicant is a corporation and principal owners of corporation are not willing to guarantee loan, state reasons:

VII. PROJECTED COMMUNITY BENEFITS

A. Employment: (For the purposes of this form, the following are considered to be minority person: Blacks, Hispanics, Asian, Pacific Islanders, American Indian/Alaskan Natives)

PRESENT EMPLOYEES (if now in operations)

TOTAL			MINORITY		
Sex	Number	Payroll \$	Sex	Number	Payroll \$
F			F		
M			M		
Total			Total		

Six 6 Months After Loan Disbursement

TOTAL			MINORITY		
Sex	Number	Payroll \$	Sex	Number	Payroll \$
F			F		
M			M		
Total			Total		

Twelve (12) Months After Loan Disbursement

TOTAL			MINORITY		
Sex	Number	Payroll \$	Sex	Number	Payroll \$
F			F		
M			M		
Total			Total		

B. Estimate annual taxes to be paid for by project when fully operational

	FEDERAL	STATE	LOCAL
Income			
Payroll			
Excise			
Real Estate/Personal Property			
Franchise			
Total			

C. List dollar investment per job created or saved: \$ _____

VIII. ADDITIONAL REQUIRED INFORMATION

Prepare as attachments to this loan application copies of the following documents signed by the appropriate persons. Include copies only as documents will become property of the Central Alabama Regional Planning and Development Commission.

- A. Business Plan which describes the background and history of the business, provides an analysis of what the new project will accomplish, explains how the market will support and sustain business operations and provides the breakdown of ownership. *Note: This applies to start-up companies and those with less than three (3) years of operation.*
- B. Latest Balance Sheet and P & L Statement prepared within the past 30 days.
- C. Annual Balance Sheet and P & L Statements for each of the last 3 years.
- D. Three Year Projected P & L Statements and Balance Sheet.
- E. Federal Income Tax for the past three years. In some cases, federal income tax returns may be needed from the principals.
- F. Names, addresses, current personal financial statements (signed and dated), and resumes of principals in the business and persons guaranteeing loans for the business.
- G. Aging of accounts receivable and payable (should agree with most recent financial statement)
- H. Schedule of Notes and Mortgages payable indicating to whom payable, the original date and amount, present balance owed, monthly payments, maturity, and security – indicate whether each debt is current or delinquent (should agree with most recent financial statement)
- I. A monthly cash flow for the first 12 months of operation after loan disbursement
- J. The names of affiliates/subsidiary firms and the last fiscal year end financial statements for the listed firms
- K. **If the business is a franchise**, a copy of the Franchise Agreement and the Franchiser's FTC Disclosure Statement is required.
- L. **If the business is a corporation**, a resolution from the Board of Directors, authorizing the small business to borrow, and a copy of recorded Articles of Incorporation (should include amendments or minutes to the Articles indicating the current stock ownership distribution)
- M. **If the business is a partnership**, a Partnership Agreement and certificate as to partners
- N. A schedule of any previous government financing by any principals or affiliates (show name of agency, the original amount, date of the request, approval or denial, the outstanding balance and current, delinquent or paid-in-full).
- O. A copy of existing or proposed lease or purchase agreement or other financing arrangements-include a specific statement regarding the person or persons who will hold title to the real estate/machinery and equipment
- P. Independent appraisals on an as is and complete basis if the purchase of an existing building is included in the project
- Q. Written cost estimates of the new constructions, renovation, and machinery and equipment or contractor's or vendors letterhead. If machinery and equipment is involved, provide authoritative certification as to its useful life.

- R. Letter from first mortgage lender stating the amount, terms, rate and conditions of its participation
- S. A credit report sent to our office from a credit bureau.

Include any other information that will assist the Central Alabama Regional and Development Commission in assessing your chances for success in this project. Additionally, Central Alabama Regional Planning and Development Commission will require any forms or documentation that are required by the participating lending institution.

Officer or Persons Responsible for project

Name: _____

Title: _____ Telephone: _____

Signature of Owner or Principal Officer:

Title: _____ Telephone: _____

AGREEMENT AND CERTIFICATION

1. Agreement of Nonpayment of Council Personnel: I/We agree that the Loan Review Committee approves this application, I/WE will not for at least two years hire an employee or consult anyone who was employed by the entity accepting this loan application.
2. Privacy Act of 1974 information: Certain information such as personal balance sheets are used to evaluate your application. Such information may be given too Federal, State, or Local agencies for the law enforcement purposes. Omission of an item means your application might not receive full consideration.
3. I/We authorize disclosure information submitted in connection with this application to the financial institution agreeing to participate in the funding of this project.
4. As considered for any Management and Technical Assistance that may be provided, I/We waive all claims against the council entity, their elected officials, employees, agents or consultants providing such service.
5. Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for an applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution or security thereof, or for the purpose of influencing in any way any action of any person dealing with this loan application, or for the purpose of obtaining money, property, or anything of value, under the provisions of the RLF forfeits all rights to loan proceeds and may be prosecuted to the fullest extent provided by law.
6. Whoever knowingly and willfully falsifies, conceals or covers up material fact by any trick, scheme or device, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry forfeits all rights to loan proceeds and may be prosecuted to the fullest extent provided by law.
7. The undersigned in consideration for assistance for the RLF hereby agree that it will comply with all Federal Laws and Regulations enforced to the extent that they are applicable to such assistance, including conditions set forth in this application.

I have read and agree to the above assurances.

If applicant is a **Proprietor or General Partner**, sign below:

By

Date

If applicant is a **Corporation**, sign below:

Company Name

Date

Signature of President

Attested by:

Signature of Corporate Secretary

Name of Business

By

Signature of Applicant

Type Name

Address

Phone Number: _____