

PIKE COUNTY
LOAN ADMINISTRATION
BOARD

PRELIMINARY APPLICATION
FOR
REVOLVING LOAN FUNDS



SERVING THE COMMUNITIES
OF
PIKE COUNTY AND CITY OF PETERSBURG

PRELIMINARY LOAN APPLICATION
FOR
REVOLVING LOAN FUNDS

PIKE COUNTY LOAN ADMINISTRATION BOARD
P.O. BOX 162 PETERSBURG, IN 47567-0162

Eligible Businesses

User, for-profit businesses located within Pike County.

Businesses unable to obtain sufficient conventional financing.

Goals and Objectives

The primary goal of the Pike County/City of Petersburg Revolving Loan Fund (RLF) is to increase local job opportunities and expand the tax base. This primary goal will be sought through a number of objectives (strategies) which are listed below.

1. To create long term permanent, private sector jobs with sufficient income for the unemployed and under employed.
2. To create gap financing and encourage other capital attraction to assist conventional financing.
3. To provide incentive loans - for industrial attraction, expansion and retention; for commercial expansion; for small business development being start-up or retention.
4. To provide incentive loans - in the redevelopment of blighted land, buildings, and/or related facilities; for the modernization and use of new technologies, growth industries, and/or high-tech. firms.
5. To provide incentive loans - to assist in the development of businesses owned and operated by minorities, women and members of other economically disadvantaged groups.

Financing Policies

The effectiveness of this RLF project as a development tool is dependent on the lending policies and financing techniques. These may include, but are not limited to:

1. Modifying the repayment terms, such as deferral of initial principal or interest payments.
2. Taking greater risks than conventional financing are prepared to take, when substantial economic development benefits may be obtained.
3. Providing below market interest rates. Terms will vary depending on the use of the loan proceeds.

Fees

Application fees are assessed on the acceptance of a loan application. No fee for preliminary loan application.

UPON COMPLETION AND APPROVAL OF PRELIMINARY LOAN APPLICATION THE FOLLOWING
INFORMATION REQUIRED FOR EDA TITLE IX REVOLVING LOAN FUNDS
THROUGH THE PIKE COUNTY LOAN ADMINISTRATION BOARD

1. Financial statements for past three (3) years.
2. Two (2) year financial projections. (including at least balance sheets, profit and loss statements and debt structuring)
3. Statement of Uses of Loan Proceeds.
4. Bank Commitment Letters for balance of financing.
5. Information about company's products and services.
6. Legal opinion concerning site control of project property.
7. Summary company history.
8. Resumes of principals in company.
9. Site plan of project site including existing buildings, proposed demolition (if any), proposed new construction, parking, railroad sidings, etc.
10. Narrative description of existing facility including approximate age of various building episodes, current state of repair, type of construction, etc.
11. Letter from chief executive officer of company which specifies the total investment to be made, the number of long-term permanent jobs to be created during a specified time period, and the significance of the public sector low-interest loan funds to the investment.
12. Name, addresses, telephone numbers and contact person for each funding source.
13. Statement of environmental impacts, if any, associated with the project.

STANDARDS FOR THE RLF

1. LEVERAGING RATIO: The RLF would seek to leverage RLF funds with at least two private sector dollars (\$2.00) to one RLF dollar (\$1.00).
2. JOB/COST RATIO: The average cost per job created or retained by RLF loans would be \$10,000.00 or less.
3. Businesses which receive RLF loans will be required to give priority interviews to long-term unemployed and dislocated workers. It will be a goal of the RLF to fill 33% of the jobs created with qualified dislocated and long-term unemployed workers.
4. The type of jobs to be created/saved are semi-skilled industrial and commercial jobs in the manufacturing sector and skilled and semi-skilled jobs in the service sector. These jobs are suited to the target population of Pike County and the City of Petersburg.

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FOR BOARD USE ONLY
FILED
REVIEWED
APPROVED
REJECTED

DATE _____ HOME PHONE NUMBER _____

NAME _____

HOME ADDRESS _____

NAME OF BUSINESS _____

BUSINESS ADDRESS _____

TYPE OF BUSINESS _____ BUSINESS PHONE NO. _____

DATE BUSINESS ESTABLISHED _____ EXPERIENCE _____

NAME OF BANK AND ADDRESS _____

_____ BANK PHONE NO. _____

PRESENTLY
NO. OF FULL TIME EMPLOYEES _____ NO. OF PART-TIME EMPLOYEES _____

JOB CREATION	
NO. OF FULL TIME EMPLOYEES _____	NO. OF PART-TIME EMPLOYEES _____
OVERALL PROJECT COST _____	
APPROXIMATE DOLLAR AMOUNT NEEDED _____	
USE OF FUNDS AND PERCENTAGES	
(1) _____ OPERATING _____ %	(2) _____ REAL ESTATE _____ % (3) _____ EQUIPMENT _____ %
OTHER/EXPLAIN _____	
EQUITY _____	COLLATERAL _____

SIGNATURE _____

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BRIEF NARRATIVE OF PROJECT INCLUDING PROJECT ITEM COSTS AND PROPOSED
SOURCES OF FINANCING AND SECURITY FOR LOAN. BRIEF HISTORY OF BUSINESS
PRODUCTS OR SERVICES PROVIDED.

PAGE 2 OF 2

County Revolving Loan Fund Loan Application

Application Date: _____ CCRLF/LRC Review Date: _____
 Name of Business _____
 Business Address _____
 City, State, Zip _____ Phone: _____
 Contact Person _____ Phone: _____

Type of Enterprise: (check all that apply)

Manufacturing _____ Industrial _____ Service _____ Retail _____
 Other (explain) _____ Sole Proprietorship _____ Partnership _____ Corporation _____

Date Established: _____ SIC Code: _____

Name of Owner	#1	_____	#2	_____
Percentage Owned	#1	_____	#2	_____
Home Address	#1	_____	#2	_____
City State, Zip	#1	_____	#2	_____
Home Phone	#1	_____	#2	_____
Working Partner	#1	_____	#2	_____

PROFESSIONAL SERVICE REFERENCE:

Name of Bank _____

Address _____ Phone: _____

Name of Accountant _____

Address _____ Phone: _____

Name of Attorney _____

Address _____ Phone: _____

PROJECT SUMMARY:

RLF Financing \$ _____ BANK \$ _____ EQUITY \$ _____

TOTAL PROJECT FINANCING \$ _____

SOURCE (Proposed) OF FUNDS:

	<u>RLF Financing</u>	<u>Bank Financing</u>	<u>Equity</u>	<u>TOTAL</u>
Financing Amount:	_____	_____	_____	_____
Loan Term (Year)	_____	_____	_____	_____
Loan Interest Rate	_____	_____	_____	_____
Annual Debt Service	_____	_____	_____	_____
Type of Collateral	_____	_____	_____	_____
Security Position	_____	_____	_____	_____
Type of Guarantee	_____	_____	_____	_____
Other Notations	_____	_____	_____	_____

USE OF FUNDS:

	<u>RLF Financing</u>	<u>Bank Financing</u>	<u>Equity</u>
Land Acquisition	_____	_____	_____
Acquisition of Building	_____	_____	_____
Improve/Renovate Building	_____	_____	_____
Purchase Equipment/Machinery	_____	_____	_____
Inventory	_____	_____	_____
Working Capital	_____	_____	_____
Fund(s) TOTALS:	_____	_____	_____
TOTAL OF PROJECT FUNDING \$	_____	_____	_____

Rate and Terms of Proposed Repayment Requested: _____

RLF Financing: _____

Bank Financing: _____

Other: _____

Proposed Schedule of Construction (Project Timetable): Estimated Starting Date: _____

Estimated date to begin operation: _____

Estimated date proceeds of RLF will be needed: _____

Does project require permits? Local _____ State _____ Federal _____ (Yes or No)

Please list any permits and/or agencies for which permit has been applied: _____

Estimated dates permits will be obtained: _____

CURRENT AND PROJECTED EMPLOYMENT:

Type of Employment

Existing Jobs

Future Projections

Note: To the maximum extent possible, the applicant will utilize the employment or labor use of low-income persons.

Full or Part Time Employees	Existing Jobs		Year One		Year Two	
	FT	PT	FT	PT	FT	PT
Professional/Managerial/Technical	_____	_____	_____	_____	_____	_____
Skilled	_____	_____	_____	_____	_____	_____
Unskilled/Semi-Skilled	_____	_____	_____	_____	_____	_____
TOTALS	_____	_____	_____	_____	_____	_____

REQUIRED ATTACHMENTS:

- _____ Business Plan
- _____ Signed Personal Financial Statements for any person owning at least 20% of the business
- _____ Last three years of Federal Tax Returns for the business if it does not have audited business statements.
- _____ Insurance on key personnel if a sole proprietorship or limited partnership.
- _____ Information which may further secure the loan.
- _____ Information concerning any pending or threatened litigation, judgements or injunctions.
- _____ Certification of business compliance with all state laws affecting the conduct of business within the state.
- _____ Documentation that the project could not proceed without RLF financing.
- _____ Documentation as to the source of equity.
- _____ Documentation as to how the project will benefit the community and impacts the mission of the RLF.
- _____ Commitment letter from bank participating in the project.
- _____ Copy of commitment letter from bank regarding line of credit for working capital.
- _____ Copy of secured permits if applicable
- _____ IF APPLICABLE Borrower to submit environmental information which meets all federal and state guidelines including USDA form FmHA 1940-20 (enclosed) "Request for Environmental Information and an accompanying site map"

The following information is requested by the Federal Government for certain types of loans, in order to monitor the lender's compliance with equal credit opportunity. You are not required to furnish this information, but are encouraged to do so. The law requires that a lender may neither discriminate on the basis of this information nor on whether you choose to furnish it. However, if you choose not to furnish it, under Federal regulations, this lender is required to note race/ethnicity on the basis of visual observation or surname. If you do not wish to furnish the above information, please check the box below.

_____ I do not wish to furnish this information.

Race/National Origin: American Indian or Alaska Native (not Alaskan) _____ Asian _____
Black or African American _____ Hispanic or Latino _____ Native Hawaiian or Other Pacific Islander _____
White _____ Other (Specify) _____

This institution is an equal opportunity provider.

SIGNATURES:

I declare that any statement in this application and in its required attachments or information provided herein, is true and complete in substance and in fact. Further, I hereby authorize any financial institutions in which the loan applicant and any guarantor thereof has any loans to provide any and all financial information of the loan applicant and/or any guarantor thereof requested by the Crawford County Revolving Loan Fund Board and this authorization constitutes a waiver of any and all laws and regulations concerning any privacy and applicant and guarantor also indemnifies and holds harmless said financial institutions for the release of any such information pursuant to this section of the loan application. This Information will be secured for the purpose of determining the applicant's eligibility, RLF standards conformance and financial soundness of the applicant.

Name of Business: _____

By: _____ Date: _____

Typed Name and Title: _____

Attested By: _____ Date: _____

Typed Name and Title: _____

FEE CHARGE: A loan origination fee of \$100 will be due at the time the loan application is made. A loan-closing fee will be charged at the time of the loan closing with a minimum of charge of \$250 not to exceed \$500.

LOAN FILE CHECKLIST
EDA SECTION 209 REVOLVING LOAN FUND PROGRAM

ATTACHMENT B

GRANTEE NAME: _____
BORROWER NAME: _____
COMPLETED BY: _____ DATE: _____

INSTRUCTIONS: For each item below, place a checkmark in the space provided if the document was executed and observed in the RLF loan file reviewed. If an item, such as a mortgage on real estate, was not a requirement of the loan (because the loan is secured by equipment collateral only), indicate this by placing a "N/A" for not applicable in the space next to "Mortgage or Deed of Trust". Note that the applicability of items 7. and 10. are dependent on the type of collateral required to secure the loan. The collateral requirements should be indicated in the Loan Agreement or in the Commitment Letter, if used. All items must be answered with a YES, NO or N/A. No item can be left blank.

BORROWER FILE REQUIRED DOCUMENTS:

1. _____ LOAN APPLICATION FORM
2. _____ MINUTES of the Loan Administration Board approving the loan
3. _____ COMMITMENT LETTER (Optional; formal notification of loan approval and terms; Loan Agreement often used in lieu of)
4. _____ LOAN AGREEMENT (agreement listing the terms of the loan)
_____ Place a checkmark here if the Loan Agreement (or other document) contains a provision to call the loan if the borrower fails to comply with the Federal requirements of the grant including Davis Bacon wage rates for construction projects, civil rights, handicap access on certain construction projects, nonrelocation requirement, and environmental laws.
5. _____ PROMISSORY NOTE (legally binds the borrower to repay the loan)
_____ Place a checkmark here if the ORIGINAL Note is stored in a secure and fireproof place.
_____ Place a checkmark here if there is a provision for late payment charges in either the Note or the Loan Agreement.
6. _____ ENVIRONMENTAL ASSESSMENT (place a checkmark here if the file contains an Environmental checklist or Environmental Assessment.

[Numbers 7. and 8. below apply only if REAL ESTATE secures the loan.]

7. _____ RECORDED MORTGAGE OR DEED OF TRUST (commits real property as security for loan and when recorded, establishes lien priority)
 8. _____ TITLE INSURANCE POLICY (discloses liens on property and provides clear title to property)
-

[Numbers 9. and 10. below apply only if PERSONAL PROPERTY secures the loan; personal property includes all property except real estate.]

9. _____ SECURITY AGREEMENT (commits personal property as security for the loan)
10. _____ UCC FILING (Uniform Commercial Code) with date stamp (notice to 3rd parties of lien; date stamp establishes lien priority)
11. _____ PERSONAL GUARANTEE AGREEMENT(S) (guarantee by the individual to repay the loan, usually principals of closely-held corporations).
12. _____ HAZARD AND LIABILITY INSURANCE:
 _____ Is there evidence of CURRENT INSURANCE COVERAGE? This is usually verified by a CERTIFICATE OF INSURANCE which shows the expiration date of the policy and whether it is in effect.
 _____ Is the Grantee named as a "loss payee" on the current CERTIFICATE OF INSURANCE? The original insurance policy should have included a LENDER'S LOSS PAYABLE ENDORSEMENT and should have named the Grantee as a "loss payee". Listing the Grantee as a "loss payee" on the current policy confirms this. This is protection for the Grantee in event of a loss.
13. _____ BANK LOAN AGREEMENT OR BANK COMMITMENT LETTER (verifies private sector financing (leveraging) listed in Parts II and IV of the Semiannual Report)
14. _____ JOB COUNT DOCUMENTATION (records the number of jobs created/saved since the loan was made; should be done annually.) Place a checkmark here if the Grantee documented the job count in the past 12 months for the borrower under review. Provide the date of the most recent job count report: _____.
15. _____ DOCUMENTATION OF NONSUBSTITUTION REQUIREMENT (Pursuant to Section I.E.13, Appendix A, of Directive 17.07, as amended, place a checkmark here only if there is documentation that the RLF did not substitute for private capital, e.g., letters from banks declining full participation in the financing and/or a written analysis by the Grantee.)
16. _____ FINANCIAL STATEMENTS not over 12 months old in the loan file.
17. _____ BORROWER SITE VISIT documented in loan file; also provide the date of the most recent site visit: _____

PIKE COUNTY LOAN ADMINISTRATION

CHECKLIST

1. A. Current Personal Financial Statement
B. Current Business Financial Statement
2. Two (2) year financial projections. Form provided. (including at least balance sheets, profit and loss statements and debt structuring)
3. Detailed/itemized list of projected use of funds. Form provided.
4. Bank commitment letters or another form of guarantee for balance of financing.
5. Information about company's products and services.
6. Copy of site ownership (deed) or lease/purchase agreement. A legal opinion will be required at closing of ownership or site control.
7. Summary company history. (Maybe part of five above.)
8. Resumes of principals in company.
9. Site plan/sketch, to approximate scale, of project site including existing buildings, proposed demolition (if any), proposed new construction, parking, railroad sidings, etc. (Note: The drawing does not have to be professionally prepared.)
10. Narrative description of existing facility including approximate age of various building improvements or expansions, current state of repair, type of construction, etc.
11. Letter from chief executive officer of company which specifies the total investment to be made, the number of long-term permanent jobs to be created during a specified time period, and the significance of the public sector low-interest loan funds to the investment.
12. Name, addresses, telephone numbers and contact person for each funding source.
13. Applicants opinion of any environmental impacts, if any, associated with the project. A formal letter will be provided listing any known or unknown environmental impacts upon approval of loan.
14. Application fee - \$100.00.

NAME OF BANK	Type of Account	Type of Ownership	On Deposit	Notes Due Banks	COLLATERAL (If Any) & Type of Ownership
			\$	\$	
		Cash on Hand	\$		

SECTION II Continued

B LIFE INSURANCE

(List only those Policies that you own)

COMPANY	Face of Policy	Cash Surrender Value	Policy Loan from Insurance Co.	Other Loans Policy as Collateral	BENEFICIARY
	\$	\$	\$	\$	
TOTALS		\$	\$		

(Enter Sec. 1 Line 2)

(Enter Sec. 1 Line 27)

C SECURITIES OWNED

(Including U.S. Gov't Bonds and all other Stocks and Bonds)

Face Value-Bonds No. of Shares Stock	DESCRIPTION Indicate those Not Registered in Your Name	Type of Ownership	COST	Market Value U.S. Gov. Sec.	Market Value Marketable Sec.	MARKET VALUE Not Readily Marketable SECURITIES	Amount Pledged to Secured Loans
							\$
TOTALS				\$	\$	\$	

(Enter Sec. 1 Line 3)

(Enter Sec. 1 Line 4)

(Enter Sec. 1 Line 15)

D NOTES AND ACCOUNTS RECEIVABLE

(Money Payable or Owed to You Individually-Indicate by a ✓ if Others have an Ownership Interest)

MAKER/DEBTOR	✓	When Due	Original Amount	Balance Due Good Accounts	Balance Due Doubtful Accounts	Bal. Due Notes Rel. & Friends	SECURITY (If Any)
			\$	\$	\$	\$	
TOTALS				\$	\$	\$	

(Enter Sec. 1 Line 5)

(Enter Sec. 1 Line 13)

(Enter Sec. 1 Line 14)

E REAL ESTATE OWNED

(Indicate by a ✓ if Others have an Ownership Interest)

TITLE IN NAME OF	✓	Description & Location	Date Acquired	Original Cost	Present Value of Real Estate	Amount of Ins. Carried	MORTGAGE OR CONTRACT PAYABLE			
							Bal. Due	Payment	Maturity	To Whom Payable
Homestead				\$	\$	\$				
TOTAL				\$						

(Enter Sec. 1 Line 11)

(Enter Sec. 1 Line 34)

F MORTGAGES AND CONTRACTS OWNED

(Indicate by a ✓ if Others have an Ownership Interest)

Cont	Mtge	✓	MAKER		PROPERTY COVERED	Starting Date	Payment	Maturity	Balance Due
			Name	Address					
							\$		\$

TOTALS

(Enter Sec. 1 Line 12)

G PERSONAL PROPERTY

(Indicate by a ✓ if Others have an Ownership Interest)

DESCRIPTION	✓	Date When New	Cost When New	Value Today	LOANS ON PROPERTY	
					Balance Due	To Whom Payable
Automobiles			\$	\$	\$	
TOTAL				\$		

(Enter Sec. 1 Line 18)

H NOTES

(Other than Bank, Mortgage and Insurance Company Loans)

ACCOUNTS AND BILLS AND CONTRACTS PAYABLE

PAYABLE TO	Other Obligors (If Any)	When Due	Notes Due To Rel. & Friends	Notes Due Others (Not Banks)	Accounts & Bills Payable	Contracts Payable	COLLATERAL (If Any)
			\$				
TOTALS			\$				

(Enter Sec. 1 Line 22)

(Enter Sec. 1 Line 23)

(Enter Sec. 1 Line 24)

(Enter Sec. 1 Line 28)

For the purpose of procuring credit from time to time, I/We furnish the foregoing as a true and accurate statement of my/our financial condition. Authorization is hereby given to the Lender to verify in any manner it deems appropriate any and all items indicated on this statement. The undersigned also agrees to notify the Lender immediately in writing of any significant adverse change in such financial condition.

PIKE COUNTY LOAN ADMINISTRATION BOARD
SOURCES AND USES OF FUNDS

Applicant Name: _____ Company Name: _____

LINE ITEM ACTIVITY	SOURCE OF FUNDS		
	RLF	PRIVATE	OTHER
1. Land Acquisition			
2. Land Improvements			
3. Purchase &/or Remodeling Buildings			
4. New Construction			
5. Streets & Site Improvements - Parking, etc.			
6. Utility improvement - water, sewer, gas, electrical, etc.			
7. Purchase of Capital Equipment - itemized list attached			
8. Purchase of Office Furniture and Fixtures - itemized list attached			
9. Operational/working Capital			
10. Inventory			
11. Other (Specify)			
12. Totals.			

Pike County Loan Administration Board
ESTIMATED PROJECTION AND FORECAST OF TWO YEARS' EARNINGS

(Attached narrative explaining basis for figures showing receipts, expense and profits)

	Year		Percentage of Sales
Gross Receipts			
Cost of Goods Sold			
Opening Inventory			
Materials			
Direct Labor			
Subcontract Costs			
Purchases			
Overhead - Itemize on Reverse			
Total			
Less Ending Inventory			
Cost of Goods Sold			
Gross Profits			
Officers' Salaries (if corporation)			
Employee's Wages			
Accounting & Legal Fees			
Advertising			
Rent			
Depreciation			
Supplies			
Utilities			
Interest (including RLF)			
Repairs			
Taxes			
Insurance			
Bad Debts			
Miscellaneous**(postage, etc.)			
Total Expenses			
Net Profit Before Taxes			

Less: Federal Taxes _____
Less: State Income Taxes _____
Less: Withdrawals (Proprietorship/Partnership) _____
Net Profit Remaining for Loan Payment _____

**If sum is large, please itemize.

Overhead to be broken down into major expense categories such as: supplies, direct labor,
etc. on separate schedules.

Name

Title