

CITY OF OELWEIN REVOLVING LOAN FUND

APPLICATION

Oelwein Chamber & Economic Development
25 West Charles Street
Oelwein, Iowa 50662
ocad@oelwein.com
319-283-1105

Eligible Projects:

Any project, which will create permanent employment, diversification of the local economy, or increase to the local tax base in the City of Oelwein. Project activities which can be funded with the RLF funds include, but are not limited to: land acquisition, site preparation, building acquisition, building construction, building remodeling, machinery & equipment, furniture & fixtures, and working capital for business start-up and expansion activities.

Eligible Applicants: Applicants eligible for RLF funds include, but are not limited to: individuals, partnerships, businesses, corporations, and non-profit organizations in the City of Oelwein. Revolving loan funds cannot be used for refinancing existing debt.

Application Procedure: Applications for the RLF will be accepted by the Oelwein Chamber and Area Development office on a continuous basis. The Oelwein Loan Review Board will review completed applications within 30 days of receipt. Applicants will be formally notified of approval, contingency approval, or denial within 10 days of the review. To apply, applicants will need to submit an RLF/IRP application along with an application fee to the address listed at the top of this page.

RLF Programs:

1) Finance special assessments for main street improvements.

No minimum loan amount. Maximum loan amount is \$125,000. Interest is tied to the terms of the loan: 3% for 3 year loan, 4% for 4 year loan, 5% for five year loan. Term of loan not to exceed five years. No application fee.

2) Finance facade improvements.

Loans are \$1,000 - \$25,000. Interest rate is 1% for a one year loan, 2% for a loan two - five years. Term of loan not to exceed five years. Applicant must hold title to the property. Design and color scheme will need to be approved by committee. No application fee.

3) Make loans to starting and expanding businesses and community projects.

Loans are \$5,000 - \$125,000. Interest rate is 0% - 8%. Terms of loan are not to exceed five years with potential for balloon loans. The project must have at least 10% equity. Priority given for job creation. Application fee is \$100. A one (1%) percent loan origination fee will be collected at the time of loan closing.

Intake for loan applicants through the Oelwein Economic Development office. Loans approved through the City of Oelwein RLF Board.

APPLICATION REQUIREMENTS:

1. Additionally, A one (1%) percent loan origination fee will be collected at the time of loan closing. Fees are to cover administrative costs of the program.
2. One or more of the following will secure a revolving loan: a secondary mortgage on real estate; a lien on fixtures, furnishing, machinery, and equipment; a personal or corporate guarantee; and a promissory note.
3. Applicants will incur the cost of securing the loan (title search, abstract updating, filing fees, title opinions, etc.)
4. Revolving loan funds cannot be used for refinancing existing debt.
5. The term of the revolving loan will be three to five years for working capital and three to seven years for fixed assets. Balloon loans may be allowed for buildings.
6. Most revolving loans will be repaid in equal monthly payments. Loan amortization will be based on the needs of the borrower.
7. Applicant must be denied credit by at least one (1) commercial lender.

Approved borrowers will be subject to the following:

- A. Certificate of hazard and liability insurance
- B. Lender's loss payable endorsement
- C. Annual business payroll register
- D. Annual financial statements
- E. Annual site visits

Other Information

1. There is a 60-day limit to close on approved loans. If the applicant cannot close on the loan within 60 days of approval, the business may request an extension.
2. The City of Oelwein RLF program offers a ½% discount for loans paid by direct deposit.

Nondiscrimination Statement:

“This institution is an equal opportunity provider and employer.”

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.”

City of Oelwein Revolving Loan Fund Application

1. BUSINESS NAME: _____
ADDRESS: _____ ZIP: _____
CONTACT PERSON: _____ PHONE: _____
EMAIL: _____ WEBSITE: _____

2. I hereby give my permission to Upper Explorerland Regional Planning Commission/City of Oelwein to research the company's history, make credit checks, contact the company's financial institution, and perform other related activities necessary for the reasonable evaluation of this proposal.

SIGNATURE OF COMPANY OFFICER: _____

3. **Description and history of business:**

4. **Describe in detail the proposed "project" being undertaken: (e.g. Company relocation, plant expansion or remodeling, new product line, etc.)**

5. **What is the expected start date of the project?** _____
What is the expected completion date? _____

6. **Have you started any part of the project?** ___ yes ___ no
If yes, please describe:

7. **How many employees are currently employed by the company at all locations?** _____

8. **How many new, full-time employees will you add to the payroll within 24 months, if the project is accomplished?** _____ **Part-time employees?** _____

9. What is the estimated annual payroll for the new employees resulting from this project? _____

10. What is the average wage rate projected to be for the new employees? _____

11. Will any current employees lose their jobs if the project does not proceed? ___yes ___no

12. If yes, how many? _____ explain:

12. PRINCIPALS:

Name:

Name:

Position:

Position:

% ownership:

% ownership:

Age:

Age:

Years Experience:

Years Experience:

Name:

Name:

Position:

Position:

% ownership:

% ownership:

Age:

Age:

Years Experience:

Years Experience:

13. What other Iowa companies could be considered as your competitors?

14. How will this project benefit the city/county, etc.?

15. SOURCES

| | AMOUNT | TYPE (grant/loan) | RATE | TERM |
|------------------------------|---------------|------------------------------|-------------|-------------|
| Conventional Financing | | | | |
| State Assistance | | | | |
| Job Training | | | | |
| City of Oelwein- IRP Funding | | | | |
| Community Participation | | | | |
| Applicant's Contribution | | | | |
| Other | | | | |
| Total | | | | |

16. PROJECT FUNDING

| ACTIVITY | USES \$AMOUNT | SOURCES \$ AMOUNT | PROVIDED BY |
|-------------------------|--------------------------|------------------------------|--------------------|
| 1. Land Acquisition | | | |
| 2. Site preparation | | | |
| 3. Building Acquisition | | | |
| 4. Construction | | | |
| 5. Remodeling | | | |
| 6. Machinery & Equip. | | | |
| 7. Furniture and Fixt. | | | |
| 8. Working Capital | | | |
| 9. Other | | | |
| Total | | | |

(two columns must be equal)

17. Explain form of applicant's contribution to the project. (i.e. loan, equity, etc.)

18. Identify all agencies or institutions involved in the project, and what their involvement is:

19. Explain why assistance is needed from the Intermediary Relending Program or the Revolving Loan Fund and why it cannot be obtained elsewhere.

20. What type of security and in what amount will the applicant provide the City of Oelwein in consideration of this loan?

Mortgage on _____ What seniority or position? _____
Lien on _____ What seniority or position? _____
Personal Guarantee _____
Other _____

21. Required attachments for Special Assessment Financing

- Special tax assessment is attached showing amount owed.
- Applicant will offer a 2nd mortgage on property to secure loan.

22. Required attachments for Façade Improvements

- Design is approved by Main Street Design Standard Committee
- Historical financials provided showing capacity to re-pay loan.
- Applicant will offer a 2nd mortgage on property to secure loan.

23. Required attachments for Business Expansion and Startup Loans

1. **Business plan (if new business)**
2. **Income project for next 3 years (Monthly cash flow projects for start-up business)**
3. **Profit and loss statements (3 year history)**
4. **Letters of commitment or resolutions of funding from all funding sources (Banks, Investors, Applicant, Local Community, etc.)**
5. **Verification of incorporation and certificate of good standing from the Iowa secretary of state (Articles of Incorporation or Bylaws)**
6. **Description of standard fringe benefits provided to employees**
7. **List of positions for jobs to be created (e.g. Welders, 3 assemblers, 1 office)**
8. **Personal and Business Financial Statements**
9. **Last three years personal income tax returns (federal only)**
10. **Resumes (Business owners, Project Manager, or other key personnel)**
11. **Letter of minutes from corporation approving acquisition of RLF/IRP debt.**
12. **One credit rejection letter from a conventional lender verifying applicant's inability to obtain conventional financing under terms that would permit completion of proposed project (Application will not be considered without this)**
13. **Signed assurances page (See following page)**
14. **\$100 non-refundable application**

The following information is requested by the Federal Government for certain types of loans and grants, in order to monitor compliance with civil rights laws. You are not required to furnish this information, but are encouraged to do so. The law requires that a program recipient 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 program representative is required to note race/ethnicity on the basis of visual observation or surname.

_____ I do not wish to furnish this information.

Ethnicity:

_____ Hispanic or Latino

_____ Not Hispanic or Latino

Race: (Mark one or more)

_____ White

_____ Black or African American

_____ American Indian/Alaska Native

_____ Asian

_____ Native Hawaiian or other Pacific Islander

Gender:

_____ Male

_____ Female

ASSURANCES

The applicant hereby assures and certifies that he or she will comply with the regulations, policies, guidelines, and requirements, as they relate to the application, acceptance and use of the Revolving Loan Fund money for this project. Also, the applicant gives assurance and certifies with respect to the loan that:

1. It possesses legal authority to apply for the loan, and to finance and construct the proposed facilities; that a resolution, motion, or similar action has been duly adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
2. It will give Upper Explorerland Regional Planning Commission and any authorized representative access to and the right to examine all records, books, papers, or documents related to the loan.
3. The project will be properly and efficiently administered, operated and maintained.
4. It will establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
5. It will comply with Title VI of the Civil Rights Act of 1964 (PL 88-352) and in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this project.
6. It will comply with Title VI of the Civil Rights Act of 1964 (42 USC 2000d) prohibiting employment discrimination where the primary purpose of a loan is to provide employment. It will comply with the civil rights laws listed below. The application of these laws is described and explained in the EDA's Civil Rights Guidelines.
 - A. Section 112 of Public Law 92-65 (42 USC 3123). Prohibits sex discrimination in assistance provided under the Public Works and Economic Development Act of 1965, as amended.
 - B. Section 504 of the Rehabilitation Act of 1973 (26 USC 794). Prohibits discrimination against disabled persons in any program or activity receiving Federal financial assistance.
 - C. Age Discrimination Act of 1975 (42 USC 6102). Prohibits discrimination on the basis of age in any program or activity receiving Federal assistance.
7. It will insure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of violating facilities and that it will notify Upper Explorerland Regional Planning Commission/City of Oelwein of the receipt of any communication from the Director of the EPA Office of Environmental Review indicating that a facility to be utilized in the project is under consideration for listing by the EPA.
8. It will cause work on the project to be commenced within a reasonable time after receipt of notification from the Loan Review Board indicating that funds have been approved and that the project will be prosecuted to completion with reasonable diligence.
9. Every effort will be made to seek applications from and to hire long-term unemployed or underemployed workers from within the region.

10. It will comply with the national flood insurance requirements on any project assisted with Revolving Loan funds.
11. It will not dispose of or encumber its title or other interests in the site and facilities during the period of the loan.
12. It will have sufficient funds available to meet the non-RLF/IRP share of the cost of the project.
13. There will not be any relocation of jobs from another area to this area. Prior EDA approval will be obtained in the event of a relocation. If the borrower relocated to an area outside the Long-Term Economic Deterioration Program-qualified counties, the loan will be recalled.
14. It will assure that any structure constructed with Revolving Loan Funds, to which the public has access, will be constructed so as to allow access by the disabled.

The applicant further agrees that in the event it fails to comply with its undertakings hereunder, Upper Explorerland Regional Planning Commission/City of Oelwein may call, cancel, terminate, accelerate repayment or suspend in whole or part the financial assistance provided or to be provided by the Revolving Loan Fund, and that Upper Explorerland Regional Planning Commission/City of Oelwein may take any other action that may be deemed necessary or appropriated to effectuate the requirements of this document.

The Applicant acknowledges that he or she has read, understood, and agrees to the provisions of the above document.

Date: _____

By _____, _____
Title

_____, _____
Title

Attest _____

PERSONAL FINANCIAL STATEMENT

CONFIDENTIAL

IMPORTANT: DIRECTIONS TO APPLICANT

To: _____

Address: _____

Personal Financial Statement as of _____
 (DATE)

APPLICANT'S NAME(S): _____

HOME ADDRESS _____

HOME PHONE _____

Read directions before completing Financial Statement.
 Please check appropriate box

- Individual credit—If relying on your own income and assets and not the income and assets of a spouse or another person as a basis for extension or repayment or credit, complete the Financial Statement below only as it applies to you, individually. Do not provide any information about a spouse or other person. Sign the Financial Statement.
- Joint Credit If applying for joint credit or for individual credit relying on income or assets of a spouse or another person for extension and repayment of credit requested, complete the Financial Statement below. Include information about income, assets and liabilities of the spouse or other person. Both Applicant and Spouse or Co-Applicant sign this statement.
- Individual relying upon income or assets of spouse or other person. or Co-Applicant sign this statement.

Please do not leave any questions unanswered. Use "no" or "none" where necessary.

| <i>Assets</i> | <i>In Even Dollars</i> | <i>Liabilities and Net Worth</i> | <i>In Even Dollars</i> |
|--|------------------------|---|------------------------|
| Cash on hand and in Banks—See Schedule A | \$ | Notes Payable: This Bank—See Schedule A | \$ |
| U.S. Government Securities—See Schedule B | | Notes Payable: Other Institutions—See Schedule A | |
| Listed Securities—See Schedule B | | Notes Payable—Relatives | |
| Unlisted Securities—See Schedule B | | Notes Payable—Others | |
| Other Equity Interests—See Schedule B | | Accounts and Bills Due | |
| Accounts and Notes Receivable | | Unpaid Taxes | |
| Real Estate Owned—See Schedule C | | Real Estate Mortgages Payable—See Schedule C or D | |
| Mortgages and Land Contracts Receivable—See Schedule D | | Land Contracts Payable—See Schedule C or D | |
| Cash Value Life Insurance—See Schedule E | | Life Insurance Loans—See Schedule E | |
| Other Assets: Itemize | | Other Liabilities: Itemize | |
| | | | |
| | | | |
| | | TOTAL LIABILITIES | \$ |
| | | NET WORTH | \$ |
| TOTAL ASSETS | \$ | TOTAL LIABILITIES AND NET WORTH | \$ |

| <i>Sources of Income</i> | <i>In Even Dollars</i> | <i>General Information</i> | |
|--|------------------------|--|-----------|
| Salary | \$ | Employer | |
| Bonus and Commissions | | Position or Profession | No. Years |
| Dividends | | Employer's Address | |
| Real Estate Income | | Phone No. | |
| *Other Income: Itemize | | Partner, officer or owner in any other venture? <input type="checkbox"/> No <input type="checkbox"/> Yes | |
| | | If so, explain: | |
| TOTAL | \$ | | |
| *Alimony, child support or separate maintenance payments need not be disclosed unless relied upon as a basis for extension of credit. If disclosed, payments received under <input type="checkbox"/> court order <input type="checkbox"/> written agreement <input type="checkbox"/> oral understanding. | | Are any assets pledged? <input type="checkbox"/> No <input type="checkbox"/> Yes Detail in Schedule A | |
| | | Income taxes settled through (Date) | |
| | | | |

| <i>Contingent Liabilities</i> | <i>In Even Dollars</i> | <i>General Information (continued)</i> |
|--|------------------------|---|
| As endorser, co-maker or guarantor | \$ | Are you a defendant in any suits or legal action? <input type="checkbox"/> No <input type="checkbox"/> Yes If so, explain: |
| On leases | | |
| Legal claims | | Have you ever taken bankruptcy? <input type="checkbox"/> No <input type="checkbox"/> Yes If so, explain: |
| Provision for federal income taxes | | |
| Other special debt, e.g., recourse or repurchase liability | | Do you have a will? <input type="checkbox"/> No <input type="checkbox"/> Yes With whom? |
| | | Do you have a trust? <input type="checkbox"/> No <input type="checkbox"/> Yes With whom? |
| TOTAL | \$ | Number of dependents _____ Ages _____ |

Schedule A: Banks, Brokers, Savings & Loan Association, Finance Companies or Credit Unions. List here the names of all the institutions at which you maintain a deposit account and/or where you have obtained loans.

| <i>Name of Institution</i> | <i>Name on Account</i> | <i>Balance on Deposit</i> | <i>High Credit</i> | <i>Amount Owing</i> | <i>Monthly Payment</i> | <i>Secured by What Assets</i> |
|----------------------------|------------------------|---------------------------|--------------------|---------------------|------------------------|-------------------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| TOTAL | | | TOTAL | | | |

Schedule B: U.S. Governments, Stocks (Listed & Unlisted), Bonds (Gov't & Comm.), and Partnership Interests (General & Ltd.)

| <i>Number of Shares, Face Value (Bonds), or % of Ownership</i> | <i>Indicate:</i> | <i>In Name of</i> | <i>*Market Value</i> | <i>Pledged</i> | |
|--|---|-------------------|----------------------|----------------|--------|
| | 1. Agency or name of company issuing security or name of partnership 2. Type of investment or equity classification 3. Number of shares, bonds or % of ownership held 4. Basis of valuation* | | | Yes () | No () |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTAL | | | | | |

*If unlisted security or partnership interest, provide current financial statements to support basis for valuation.

Schedule C: Real Estate Owned (and related debt, if applicable)

| <i>Description of Property or Address</i> | <i>Title in Name Of</i> | <i>Date Acq.</i> | <i>Cost + Improvements</i> | <i>Present Mkt. Value</i> | <i>Mortgage or Land Contract Payable</i> | | |
|---|-------------------------|------------------|----------------------------|---------------------------|--|------------------|---------------|
| | | | | | <i>Bal. Owing</i> | <i>Mo. Payt.</i> | <i>Holder</i> |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| TOTAL | | | | | | | |

Schedule D: Real Estate: Mortgages & Land Contracts Receivable (and related debt, if applicable)

| Description of Property or Address | Title in Name Of | Date Acq. | Balance Receivable | Monthly Payment | Mortgage or Land Contract Payable | | |
|------------------------------------|------------------|-----------|--------------------|-----------------|-----------------------------------|-----------|--------|
| | | | | | Bal. Owing | Mo. Payt. | Holder |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| TOTAL | | | | | | | |

Schedule E: Life Insurance Carried

| Name of Company | Face Amount | Cash Surrender Value | Loans | Beneficiary |
|-----------------|-------------|----------------------|-------|-------------|
| | | | | |
| | | | | |
| | | | | |
| TOTAL | | | | |

I/we have carefully read and submitted the foregoing information provided on all three pages of this statement to the Bank named above. The information is presented as a true and accurate statement of my/our financial condition on the date indicated. This statement is provided for the purpose of obtaining and maintaining credit with said Bank. I/we agree that if any material change(s) occur(s) in my/our financial condition that I/we will immediately notify said Bank of said change(s) and unless said Bank is so notified it may continue to rely upon this financial statement and the representations made herein as a true and accurate statement of my/our financial condition.

I/we authorize the Bank to make whatever credit inquiries it deems necessary in connection with this financial statement. I/we authorize and instruct any person or consumer reporting agency to furnish to the Bank any information that it may have or obtain in response to such credit inquiries.

I/we also hereby certify that no payment requirements listed herein are delinquent or in default except as follows; if "NONE" so state.

I/we fully understand that it is a federal crime punishable by fine or imprisonment or both to knowingly make any false statements concerning any of the above facts, pursuant to 18 U.S.C. Section 1014.

Applicant's Signature _____ Date Signed _____ Social Security No. _____ Date of Birth _____

Spouse's or Co-Applicant's Signature _____ Date Signed _____ Social Security No. _____ Date of Birth _____

NOTICE OF ACTION TAKEN

Note to lending institution: Please attach this form to your standard "Notice of Action Taken" or include the terms of the requested loan in your standard form. Return this to the applicant.

Name of Applicant: _____
Bank: _____
Lending Officer: _____
Phone: _____

Type of loan requested:

Purpose of loan: _____
Amount: _____ Interest: _____
Term: _____ Equity: _____
Collateral: _____

Our bank is unable to approve the request because:

- | | |
|---|--|
| <input type="checkbox"/> Insufficient number of credit references | <input type="checkbox"/> Unable to verify residence |
| <input type="checkbox"/> Unacceptable type of credit references | <input type="checkbox"/> No credit file |
| <input type="checkbox"/> Unable to verify credit references | <input type="checkbox"/> Limited credit experience |
| <input type="checkbox"/> Income insufficient for amount of credit requested | <input type="checkbox"/> Poor credit performance with us |
| <input type="checkbox"/> Excessive obligations in relation to income | <input type="checkbox"/> Delinquent past or present credit obligations |
| <input type="checkbox"/> Unable to verify income | <input type="checkbox"/> Bankruptcy |
| <input type="checkbox"/> Temporary or irregular employment | <input type="checkbox"/> Value of type of collateral not sufficient |
| <input type="checkbox"/> Unable to verify employment | <input type="checkbox"/> Lack of established earnings record. |
| <input type="checkbox"/> Length of employment | <input type="checkbox"/> Slow or past due in trade or loan payments |
| <input type="checkbox"/> Length of residence. | <input type="checkbox"/> Temporary residence |
| <input type="checkbox"/> Garnishment, attachment, foreclosures, repossession, collection action or judgement | |
| <input type="checkbox"/> Other, Specify: _____ | |

Signature of Loan Officer

Date

Note: One loan denial is required for the City of Oelwein IRP/RLF Loan Program.