City of Elgin
Revolving Loan Fund

212 Main Street ♦ Elgin, IA 52141 ♦ 563-426-5998

APPLICATION

CITY OF ELGIN REVOLVING LOAN FUND (RLF)

Purpose: The purpose of the City of Elgin's Revolving Loan Fund (RLF) is to provide "gap" financing to new and expanding businesses for which credit is not otherwise available on terms and conditions, which permit completion and/or the successful operation of proposed business activities.

Eligible Projects: Any business improvement or start-up project in City of Elgin is an eligible project. Project activities which can be funded with 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.

Limitations on loans from the RLF:

- RLF funds will not be used to produce agriculture products through growing, cultivation, and harvesting either directly or through horizontally integrated livestock operations.
- RLF funds will not be used to finance comprehensive area-wide type planning. This does not preclude the use of grant funds for planning for a given project.
- RLF funds will not be used to fund a part of a project which is dependent on other funding unless there is a firm commitment of the other funding to ensure completion of the project.
- Loans will be made only to "small and emerging private business enterprises" as defined "Any private business that will employ 50 or fewer new employees and has less than $1M in projected gross revenues."
- At least 51% of the outstanding interest in the applicant must be owned by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence.
- Applications by members of the loan committee and their immediate family members shall be ineligible for funding (**CONFLICT OF INTEREST**).

Eligible Applicants: Applicants eligible for RLF funds include, but are not limited to: individuals, partnerships, businesses, corporations, and non-profit organizations in City of Elgin. Municipalities and county governments are not eligible applicants.

Application Procedure: Applications for the RLF will be accepted by the City of Elgin on a continuous basis. The Loan Review Committee 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 application to the Commission at the address listed at the top of this page.

PROGRAM CRITERIA:

1. Project must involve a minimum of 10% personal or business equity.
2. Applicant can apply for up to 90% of the total project costs.
3. Minimum loan is $2,500, maximum loan is $70,000.
4. Interest Rate typically will range from 3-5% and will typically not exceed prime by more than 2%.
5. The maximum term of the loan is 7 years. The loan may be amortized over a shorter term.
6. The City of Elgin reserves the right to recall any RLF loan if the above requirements are not met.

APPLICATION REQUIREMENTS:

1. 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 lien on real estate; a lien on fixtures, furnishing, machinery, and equipment; a personal or corporate guarantee.
3. Borrower will be required to sign a promissory note.
4. Revolving loan funds cannot be used for refinancing existing debt.
5. Most revolving loans will be repaid in equal monthly payments. Loan amortization will be based on the needs of the borrower.
6. A $100 application fee shall be submitted with each application. Costs associated with processing the application (e.g. credit reports, UCC and lien search fees, filing security documents, etc.) shall be the responsibility of the applicant.

Approved borrowers will be subject to the following:

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

Nondiscrimination Statement:

To file a program discrimination complaint, a complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form, which can be obtained online at https://www.usda.gov/sites/default/files/documents/ad3027.pdf, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Office of the Assistant Secretary for Civil Rights (OASCR) about the nature and date of an alleged civil rights violation.

This institution is an Equal Opportunity Provider, Employer, and Lender.

Please provide the following information. If you need more space, attach additional sheets to this Application.

SECTION 1: BUSINESS INFORMATION

1. Business Owners:
   Name(s) (include middle initial) SS#: Address: City/State/Zip:

   _____ _____ _____ _____

   _____ _____ _____ _____

2. Length of residency in Iowa: _____ US Citizen: _____ YES _____ NO

3. Business Telephone: _____Home Telephone: _____

4. Legal Business Name: _____

   Doing Business As: _____

5. Business Location: _____6.

   City: Elgin State: Iowa County: Fayette Zip: 52141

10. Describe Type of Business (Product or Service): _____

    _____

    _____

11. Business Status (check one):

    _____ New (under 12 months) _____ Existing (over 12 months)

12. Date Business was established: _____

13. Current Number of Employees: _____ (Including Owner) Full Time: _____ Part Time: _____
    Anticipated # of Employees 2 years from now: _____ Full Time: _____ Part Time: _____

14. Have you met all the legal requirements necessary to establish your business:

    _____ YES _____ NO _____ Not Sure

15. Federal Tax ID Number and DUNS Number: _____

16. Type of Business Organization:
    ____ Partnership ____ Sole Proprietorship ____ Not yet established
    ____ S Corporation ____ C Corporation ____ Other _____

17. Is your Business ____ For-Profit ____ Non-Profit

18. Do you have any personal/business judgments, unsettled lawsuits, major disputes, or tax liens against you, or pending against you? ____ YES ____ NO

    If yes, please describe: _____

    _____

19. Has the business, or any principal of the business, been involved in bankruptcy or insolvency proceedings? _____ Yes _____ No If yes, please explain: _____

    _____

20. Have you had any past credit problems that we should be aware of?
_____ Yes _____ No If yes, please explain: _____

_____

21. What kind of insurance do you currently carry? (check all that apply)
_____ Business _____ Health _____ Life _____ Homeowners/renters _____ Auto

SECTION II: BUSINESS PLAN INFORMATION

22. Have you completed a business plan? ____ Yes ____ No
(If you answered yes, please attach a copy of the Business Plan to this application. If you answered no, please complete a business plan)

23. When and by whom was the Business Plan prepared? _____

_____

24. If you have not completed a Business Plan, would you like assistance in preparing one?
____ Yes ____ No

SECTION III: FINANCING INFORMATION Please be specific

25. Purpose of the loan request: _____

_____

26. Describe how this loan will help your business: _____

_____

27. Have you applied to another lender(s) for financing? ____ Yes ____ No

If yes, what is the status of your application? _____

_____

28. How did you hear about the Revolving Loan Fund? _____

29. Total amount of Loan Request: $_____

Source	**Amount**	**(grant/loan) Type**	**Rate**	**Term**
Conventional Financing				
State Assistance				
Job Training				
Other RLF				
Community Participation				
Applicant's Contribution				
Other				
Total				

30. Project Funding

Activity	Uses $ Amount	Sources $ Amount	Sources Provided By
Land Acquisition			
Site Preparation			
Building Acquisition			
Construction			
Remodeling			
Machinery & Equipment			
Furniture and Fixture			
Working Capital			
Other			
Total			

31. I would like to pay this loan off in _____ months.

32. Proposed collateral: _____ Business Assets _____ Mortgage
_____ Co-Signer _____ Other _____

33. Describe any other sources of household income: _____
_____

34. Amount and source of personal (non-loan) funds that you have invested or plan to invest in the business/project:
Cash Amount: $_____
Source: _____ (savings, credit card, personal loan, other)

SECTION IV: REFERENCES

35. Credit references (other banks, suppliers, utilities, credit cards, business and/or personal):

Name: _____ Address: _____

Account number: _____ Telephone: _____

Name: _____ Address: _____

Account number: _____ Telephone: _____

Name: _____ Address: _____

Account number: _____ Telephone: _____

36. Personal references:

Name: _____ Address: _____

Telephone: _____

Name: _____ Address: _____

Telephone: _____

SECTION V: RESUMES

37. Please include a current resume for all principals of the business.

SECTION VI: DEMOGRAPHIC INFORMATION

38. The following information is being obtained for statistical purposes only.
Please check those that apply:

Business Owned by:	Veteran Status:	Race/Ethnicity:
☐Female (100%)	☐Non-Veteran	☐American Indian or Alaskan Native
☐Female (51%)	☐Vietnam-era Veteran	☐African American
☐Male (100%)	☐Other Veteran	☐Caucasian
☐Male (51%)		☐Hispanic
		☐Asian/Pacific Islander ☐Other

SECTION VII: CERTIFICATIONS

Please read the following and sign the Application form below. All owners, officers or partners must sign this Application.

The information provided in this Application is accurate to the best of my knowledge. I understand that personal and/or business information may be requested pursuant to this Loan Application, and I hereby give my consent for such information to be provided. I also understand that the Lender retains the sole decision as to whether this Loan Application is approved, denied, or modified. It is my right to accept or decline the loan amount, rate and terms approved by the Lender. I understand that credit reports may be obtained in connection with this application. Upon my request, I will be informed whether or not credit reports were obtained, and if so, the name and address of the consumer reporting agency that furnished the report. I certify that neither I, nor my business, have been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. I certify that I am not late by 60 days or more on any child support payments.

Name (Printed): _____ Name (Printed):_____

Signature: _____ Signature: _____

Date: _____ Date: _____

SECTION VIII: APPLICATION CHECKLIST

Please submit the following information with this application:

1. Completed Business Plan
2. Completed Personal Financial Statement (form is enclosed)
3. Existing businesses: Completed Business Balance Sheet and Profit and Loss Statement (form is enclosed)
4. Individual and Business Tax Returns (if applicable) for the past 3 years
5. Income Statement, Balance Sheet, and Cash Flow Projections for next 3 years. Cash Flow Projection should be monthly for first year, quarterly for second, and annual for third.
6. Resumes of owners/principal managers

Additional information may be required as determined by the Lender.

PERSONAL FINANCIAL STATEMENT

**All owners of 20% or more of the company need to complete both the Personal Financial Statement and the Personal Balance Sheet*

1. ANNUAL GROSS INCOME: Please show actual gross income for the previous twelve months for all household members.

NAME	**GROSS INCOME**	**FROM WHAT SOURCE**
_____	$_____	_____
_____	$_____	_____
_____	$_____	_____
_____	$_____	_____
_____	$_____	_____
_____	$_____	_____

TOTAL GROSS INCOME **$**_____

2. ANNUAL HOUSEHOLD EXPENSES: Please show personal expenses for the previous twelve months. **Do not include business expenses in this section**.

Mortgage payments (12 months)	$_____
Rent/Mortgage payments (12 months)	$_____
Car payments (12 months)	$_____
Installment debt/credit cards	$_____
Insurance	
Property	$_____
Auto	$_____
Health/Life	$_____
Real Estate Taxes	$_____
Income Taxes	$_____
Utilities	
Heat	$_____
Lights/Electric	$_____
Phone	$_____
Water	$_____
Misc. (cable etc.)	$_____
Medical expenses (not covered by insurance)	$_____
Education (include student loans)	$_____
Food	$_____
Other (list)	$_____

TOTAL ANNUAL EXPENSES **$**_____

NET INCOME (Total Gross Income minus Total Annual Expenses) **$**_____

PERSONAL BALANCE SHEET

WHAT YOU OWN **CURRENT VALUE**

Cash on hand or in banks $_____

Bank accounts (name of bank, checking and/or savings)

_____ $_____

_____

Investments (retirement accounts, mutual/money market funds, stocks, bonds)

_____ $_____

Residential real estate (describe)

_____ $_____

Other real estate (describe)

_____ $_____

Life Insurance (company, policy number & cash value – there is no cash value for term insurance)

_____ $_____

Automobiles (make, model, year, mileage, condition)

_____ $_____

_____ $_____

_____ $_____

Money other people owe you (notes, mortgages)

_____ $_____

Other valuable assets (jewelry, furnishings, art, collections, etc.)

_____ $_____

TOTAL VALUE $_____

WHAT YOU OWE:

	OWE TO WHOM?	BALANCE OWED	MONTHLY PAYMENT (Where Applicable)	PAYOFF DATE
Mortgages	_____	$_____	$_____	_____
Auto Loans	_____	$_____	$_____	_____
	_____	$_____	$_____	_____
Personal Loan	_____	$_____	$_____	_____
	_____	$_____	$_____	_____
Credit Cards	_____	$_____	$_____	_____
	_____	$_____	$_____	_____
	_____	$_____	$_____	_____
	_____	$_____	$_____	_____
	_____	$_____	$_____	_____
Student Loans	_____	$_____	$_____	_____
Child Support	_____	$_____	$_____	_____
Unpaid Taxes	_____	$_____	$_____	_____
Other	_____	$_____	$_____	_____

TOTAL AMOUNT OWED $_____

NET WORTH (Total Value minus Total Amount Owed) $_____

Signature 1 _____ _____ _____

Date Social Security No.

Signature 2 _____ _____ _____

(if joint household ownership team) Date Social Security No.

BUSINESS BALANCE SHEET

(To be completed by existing businesses only)

WHAT YOUR BUSINESS OWNS — **CURRENT VALUE**

Cash on hand $_____

Bank accounts (name of bank)

_____ $_____

Real Estate (describe)

_____ $_____

Equipment

_____ $_____

Furniture and Fixtures

_____ $_____

Inventory (supplies, merchandise)

_____ $_____

Automobiles (make, model, year, mileage, condition)

_____ $_____

_____ $_____

_____ $_____

Accounts receivable (money customers owe you)

_____ $_____

Other

_____ $_____

TOTAL VALUE $_____

WHAT YOUR BUSINESS OWES: (amount due now)

	OWE TO WHOM?	BALANCE OWED	MONTHLY PAYMENT (Where Applicable)	PAYOFF DATE
Mortgage	_____	$_____	$_____	_____
Bills, Accts. payable, due suppliers:				
	_____	$_____	$_____	_____
	_____	$_____	$_____	_____
	_____	$_____	$_____	_____
	_____	$_____	$_____	_____
Loans:				
Business	_____	$_____	$_____	_____
	_____	$_____	$_____	_____
Auto Loans	_____	$_____	$_____	_____
	_____	$_____	$_____	_____
Credit Cards	_____	$_____	$_____	_____
	_____	$_____	$_____	_____
	_____	$_____	$_____	_____
Unpaid Taxes	_____	$_____	$_____	_____
Other	_____	$_____	$_____	_____

TOTAL AMOUNT OWED $_____

NET WORTH (Total Value minus Total Amount Owed) $_____

BUSINESS PROFIT AND LOSS STATEMENT

SECTION I: Historical Financial Information for the past five fiscal years, as applicable:
(To be completed by existing businesses only – please fill in year)

	Year _____	Year _____	Year _____	Year _____	Current Year to Date
Gross Sales	$_____	$_____	$_____	$_____	$_____
Cost of goods sold	$_____	$_____	$_____	$_____	$_____
Operating expenses	$_____	$_____	$_____	$_____	$_____
Net business income	$_____	$_____	$_____	$_____	$_____
Loan payments	$_____	$_____	$_____	$_____	$_____
Owners draw (salary)	$_____	$_____	$_____	$_____	$_____

_____ _____
Signature Title Date

_____ _____
Signature Title Date

Request for Credit History

Requestor: City of Elgin
212 Main Street
Elgin, IA 52141

Please furnish a credit report on the following person(s) for the reason stated below:

Head of Household:

Name: _____
Address: _____
City, State, Zip: _____
Social Security Number: _____
Date of Birth: _____

Co-Applicant or Spouse:

Name: _____
Address: _____
City, State, Zip: _____
Social Security Number: _____
Date of Birth: _____

Reason for Request: _____

To Be Completed by Applicant(s)

Permission to Release information:

I authorize the credit bureau to release a copy of my credit report to the requestor listed above.

A copy of this authorization may be accepted as an original.

_____ _____
Applicant Signature Date

_____ _____
Co-Applicant Signature Date

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.
2. It will give the City of Elgin 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 the City of Elgin 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 Committee indicating that funds have been approved and that the project will be prosecuted to completion with reasonable diligence.
9. It will comply with the national flood insurance requirements on any project assisted with Local Revolving Loan funds.
10. It will not dispose of or encumber its title or other interests in the site and facilities during the period of the loan.
11. It will have sufficient funds available to meet the non-RLF share of the cost of the project.
12. 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, the City of Elgin 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 the City of Elgin 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: _____