

SMALL BUSINESS REVOLVING LOAN FUND APPLICANT CHECKLIST

The following can be mailed or dropped off to:

EDC of Gladwin County
Attn: Matt Lang
110 Buckeye Street
Gladwin, MI 48624

- Loan Application
 Credit report

Free credit reports may be obtained from www.annualcreditreport.com. You may also Call 1-877-322-8228 or complete the Annual Credit Report Request Form and mail it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. The form can be printed from ftc.gov/credit.

- Business Plan

You can contact Tony Fox at the SBDC for free assistance completing a business plan, 989-386-6630 or aefox@midmich.edu.

Financial Statements - For existing businesses, submit 3 years of Cash Flow Projections and 2 prior years Income Statements and Balance Sheets. For new business submit 3 years of Cash Flow Projections and a Projected Balance Sheet for start up.

Income Tax Returns - Provide copies of business & personal for the past ---- year(s)
If you have questions, please contact ----

Matt Lang- Director
mlang@michworks4u.org
989-426-8571

Revised 7-08-09

ECONOMIC DEVELOPMENT CORPORATION
OF GLADWIN COUNTY
401 W. Cedar Avenue
Gladwin, Michigan 48624

**USDA Rural Development
Small Business Revolving Loan Fund
Guidelines**
(Also see the 2-Page Application)

Objectives

The purpose of the Economic Development Corporation of Gladwin County Small Business Revolving Loan Fund is to promote economic development within Gladwin County. It does this by making financing available to new and expanding small businesses that is not available from a traditional lending source; and further, by facilitating the development of these small and emerging business enterprises. In addition, the goal of the Economic Development Corporation of Gladwin County Small Business Revolving Loan Fund is to create and retain jobs in Gladwin County.

Eligibility Criteria

USDA Rural Development requires that the small and emerging businesses to be assisted be located in Gladwin County, have less than fifty employees, and less than \$1 million in gross annual revenues.

Loans are limited to economic development and related support projects. Loan proceeds may be used for the purchase of equipment, supplies, working capital, the purchase or construction, or remodeling of real estate.

The applicant must be a for-profit business, whether an individual owner, partnership, limited liability company or corporation, excluding public institutions, lending institutions, real estate developers, and non-profit organizations.

An applicant must demonstrate the ability to repay the loan and be an acceptable credit risk, as determined by the Project Review Committee (PRC).

To qualify for a loan, a minimum of one (1) job must be created or retained.

Loan Limitations by USDA

Loan money CANNOT be used for:

1. Agricultural production
2. Comprehensive area wide planning.
3. Loans by grantees when the rates, terms, and charges for those loans are not reasonable or, if loans would be for purposes not eligible under RBEG regulations.

RLF Guidelines, cont'd

4. Programs operated by cable television systems.
5. Funding 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.
6. All applications are considered without regard to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (provided applicants have the capacity to enter into a legal contract) of the members of the groups applying for assistance. Service must be extended on the same basis.
7. Compliance with all local, state, and federal laws and regulations. (Civil Rights Act of 1964 and Section 112 of Public Law 9265, amending the Public Works and Economic Development Act of 1965).
8. All projects are subject to the USDA-RD Environmental Review Process.

EDC Application Requirements and Assurances

Applicants are subjected to a loan application, review, approval, and monitoring process. The applicant shall provide, at minimum, the following.

1. Applicant must complete the loan application furnished by the EDC-RLF, being sure to include all of the items requested there and below.
2. A completed business plan. For business plan assistance, the applicant may rely upon the Small Business Technology and Development Center, based at M-Tee, Mid-Michigan Community College, or others, rather than the EDC of Gladwin County.
3. Applicant must supply detailed financial information of the business operation, including cash flow.
4. The applicant must supply personal financial statements, and a confidential copy of their credit report.
5. There will be no application fees. However, a modest non-refundable commitment fee has been established by the EDC Board. It shall be 1.0% of the loan proceeds, with a minimum of \$150.00. This will be deducted from the loan proceeds at closing.

Loan Terms and Conditions

1. Loans are made on a secured-basis with personal guarantees.
2. It is anticipated that most loans will be in the \$2,500 to \$10,000 range. Loans up to \$25,000 will be considered. On the rare occasion of a loan application exceeding \$25,000, a two-thirds majority of the EDC Board, rather than a simple majority, must give its approval.
3. Loans are made at a fixed interest rate of prime plus 2%.
4. The maximum term of the loan will not exceed 5 years. The PRC will set the term based upon the useful life of the collateral interest. Payments will normally be monthly, and include principal and interest.
5. The applicant must submit annual financial statements to the Project Review Committee, or more often if requested.
6. The applicant shall pay all legal fees incurred in closing the particular loan, which may include the drafting of documents and legal work.
7. Proceeds of the loan cannot be used to finance any other existing debt.
8. Borrower must have equity in the business.

RLF Guidelines, cont'd

Loan Processing

The Economic Development Corporation Director will be responsible for ensuring that all eligibility criteria and applicant requirements have been satisfied prior to submission to the Project Review Committee. Only after all required information has been received and reviewed by the EDC Director, will it be submitted to the Project Review Committee for their analysis. The applicant may be invited to address the Project Review Committee directly. A USDA representative and an EDC representative (being either the Director, a PRC member, or an EDC Board Member) will visit the business site, in order to make a report, either informal or formal, to the PRC for its use in evaluating the application.

Following a complete review by the Project Review Committee, a decision will be delivered, and in any case, the applicant will be notified in writing. Should a project be approved for recommendation to the full EDC Board of Directors for funding, a letter of conditional commitment will be issued with specific conditions outlined. If/when the EDC Board of Directors gives its approval to the loan, shortly thereafter, loan documents will be filled out, as well as additional standard forms required by USDA. Then a loan closing meeting will be set. The EDC Board will direct the County Treasurer to establish an account unique to the loan within the RLF account, and, initiate the process with USDA to release the funds to the borrower at loan closing, along with the schedule of payments.

-End



United States Department of Agriculture

Resource Guide 2

Obtaining a Data Universal Numbering System number (DUNS)

We request that your organization obtain a DUNS number as preparation for doing business electronically with the Federal Government.

The DUNS number is a unique nine-character identification number provided by the commercial company Dun & Bradstreet (D&B). You may call D&B at **1-800-333-0505** to register and obtain a DUNS number. The process to request a DUNS number **takes about 10 minutes and is free of charge**. Please use the following instructions to navigate through the voice prompts:

1. Enter "3" to register your business and obtain a DUNS number
2. Enter "2" for assistance
3. Enter "1" to create a new listing
4. Enter "1" for Federal Registration. At this point, a service representative will answer, and suggest that you buy the Credit Builder Service. **This is not necessary** to do business with the government. If you want to do business with other vendors outside the government, **this is an optional service** that allows you to do business using a line of credit.

Provide answers to the following questions:

- a) Name of business
- b) Business address
- c) Local phone number
- d) Name of the CEO/business owner
- e) Legal structure of the business (corporation, partnership, proprietorship)
- f) Year business started
- g) Primary line of business
- h) Total number of employees (full and part time)

You may also register for your DUNS number at Dun & Bradstreet's website: <https://www.dnb.com/product/eupdate/requestOptions.html>. Be sure to click on the link that reads, "DUNS Number only" at the right hand, bottom corner of the screen to access the free registration page. Please note that registration via the website may take up to 14 business days to complete.

3001 Coolidge Road, Suite 200, East Lansing, MI 48823
Phone: (517) 324-5190 · Fax: (517) 324-5225 TDD: (800) 649-3777 · Website: <http://www.rurdev.usda.gov>

Committed to the future of rural communities.

USDA is an equal opportunity provider, employer and lender.

To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD)

**ECONOMIC DEVELOPMENT CORPORATION
OF GLADWIN COUNTY
REVOLVING LOAN FUND APPLICATION**
(See Also the 3-Page Guidelines)

Please print or type clearly

1. Date of Application _____ - _____ - _____
2. Amount Requested: \$ _____
3. Applicant Name _____
Street Address _____
City/State/Zip _____
Date of Birth ____/____/____ Social Security Number _____ - _____ - _____
Drivers License Number _____
Home Phone _____ Cell Phone _____

4. Business Name _____
Street Address _____
City/State/Zip _____
Business Phone _____ Business Cell Phone _____
Fax # _____ Employer ID # _____
Email Address _____ Website _____

5. Business DUNS Number _____

6. Owners and Key Personnel

Name _____	Percent Ownership _____
Title _____	US Citizen ____ Yes, ____ No
Name _____	Percent Ownership _____
Title _____	US Citizen ____ Yes, ____ No
Name _____	Percent Ownership _____
Title _____	US Citizen ____ Yes, ____ No

7. Description of the Business

8. Business is ____ New, ____ Existing. If existing, date of establishment _____
9. Type of Organization: ____ Sole Proprietorship, ____ Partnership,
____ Corporation, ____ Other (specify) _____
10. Number of Employees: Current _____ If loan is approved _____
11. Has any principal owner filed for bankruptcy or been sued in the last seven years?
____ No, ____ Yes, if Yes, please explain on a separate page.

PAGE TWO EDCGC-RLF APPLICATION

- 12. Furnish Business Plan, including 2 year financial projections.
- 13. Furnish the last three years of business tax returns, and business financial statements.
If business is so new as to not have these, check here _____.
- 14. Furnish personal financial statement dated within one year of the loan application

15. Projected Use of Loan Funds		16. Bank Affiliation	
Working Capital	\$ _____	Name of Bank	_____
Machinery	\$ _____	Address	_____
Equipment	\$ _____	City/State/Zip	_____
Furnishings	\$ _____	Phone	_____
Inventory	\$ _____		
Other	\$ _____	for	_____

- 17. Provide a detailed list of working capital use of funds
 - 18. Your collateral: Give present value of all items used to collateralize this loan:
 - a. Land and Buildings \$ _____
 - b. Accounts Receivable \$ _____
 - c. Machinery and equipment \$ _____
 - d. Furniture and fixtures \$ _____
 - e. Inventory (describe) \$ _____
 - f. Other \$ _____
- Total Collateral \$ _____

19. Do you have a guarantor for this loan? No _____, Yes _____. If yes:
Print Name of Guarantor _____
Signature of Guarantor _____ Date Signed: _____

20. Are you delinquent on any federal, state, or other debt, including child support?
No _____, Yes _____

21. Are the applicant individuals presently under indictment, on parole or on probation?
No _____, Yes _____

22. Have you ever been convicted of a felony?
No _____, Yes _____. If Yes, provide written summary.

23. I certify that all of the above information is true to the best of my knowledge.

_____ Signature of Applicant	_____ Date
_____ Signature of Co-Applicant	_____ Date