

SMALL BUSINESS REVOLVING LOAN FUND

APPLICANT CHECKLIST

The following can be mailed or dropped off to:

Roscommon County EDC
Attn: Rosalie Myers
500 Lake Street
Roscommon, Michigan 48653

___ Loan Application

___ Business Plan

You can contact Josh Billington, Sr. Business Consultant SBDC - Michigan for free assistance completing a business plan at 906-280-5290 or jbillington@jobforce.org

___ 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 Projected Balance Sheet for startup.

___ Income Tax Returns – Provide copies of business & personal for the past 2-3 years.

If you have questions, please contact Rosalie Myers, Executive Coordinator of Roscommon County EDC, 989-275-5268 or myersr@roscommoncounty.net

ROSCOMMON COUNTY ECONOMIC DEVELOPMENT CORP

500 Lake Street

Roscommon, Michigan 48653

Objectives

The purpose of the Roscommon County Economic Development Corp Small Business Revolving Loan Fund is to promote economic development within Roscommon 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 Roscommon County Economic Development Corp Small Business Revolving Loan Fund is to create and retain and expand businesses in Roscommon County.

Eligibility Criteria

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

The applicant must be a for-profit business, whether an individual owner, partnership, limited liability company or corporation, a non-profit 503 (6), excluding public institutions, lending institutions, real estate developers, and other non-profit organizations.

An applicant must demonstrate the ability to repay the loan and be an acceptable credit risk, as determined by the Revolving Loan Fund Committee (RLFC).

Loan Limitations

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.
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 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 a Review Process by RLFC.

RCEDC 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 RCEDC-RLF, being sure to include all of the items requested there and below.
2. A completed business plan. For business assistance, the applicant may rely upon the Small Business Development Center rather than the Roscommon County EDC.
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 RDEDC Board. It shall be 1.0% of loan proceeds, with a minimum of \$150.00. This will be deducted from the loan proceeds at time of 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 \$1000 to \$5000 range. Loans up to \$10,000 will be considered and will need a two-thirds majority approval of RCEDC Board, rather than a simple majority, must give approval.
3. Loans are made at a fixed interest rate of prime plus 2%.
4. The maximum term of the loan will not exceed 3 years. The RLFC will set the term based upon the useful life of the collateral interest. Payments will be monthly, and include principle and interest.
5. The applicant must submit annual financial statements to the RLFC, 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.

Loan Processing

The Roscommon County Economic Development Executive Coordinator will be responsible for ensuring that all eligibility criteria and applicant requirements have been satisfied prior to submission for review by the RLFC. Only after all required information has been received and reviewed by the RCEDC Executive Coordinator, will it be submitted to the Revolving Loan Fund Committee for their analysis. The applicant may be invited to address the RLFC directly. The RCEDC Executive Coordinator, a RLFC member, and or a RCEDC Board

Member will visit the business site, in order to make a report, either formal or informal, to the RLFC for its use in evaluating the application.

Following a complete review by the Revolving Loan Fund 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 RCEDC Board of Directors for funding, a letter of conditional commitment will be issued with specific conditions outlined. If/When the RCEDC Board of Directors gives its approval to the loan, shortly thereafter, loan documents will be filled out. Then a loan closing meeting will be set. The RCEDC Board will direct the County Treasurer to establish an account unique to the loan within the RLF account, and, initiate the process to release the funds to the borrower.

ROSCOMMON COUNTY ECONOMIC DEVELOPMENT CORP REVOLVING LOAN FUND APPLICATION

Please print of type clearly

1. Date of Application _____

2. Amount Requested: \$ _____

3. Applicant Name _____

Street Address _____

City/State/Zip _____

Date of Birth ___/___/___ Social Security Number ___/___/___

Driver's License Number _____

Home Phone _____ Cell Phone _____

4. Business Name _____

Business 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 of Ownership _____

Title _____ US Citizen ___ Yes ___ No

Title _____ US Citizen ___ Yes ___ No

Name _____ Percent of Ownership _____

Title _____ US Citizen ___ Yes ___ No

7. Description of 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: _____

11. Has any principle owner filed for bankruptcy or been sued in the last seven years? No Yes, if Yes, please explain on a separate page.

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

Working Capital	\$	_____
Machinery	\$	_____
Equipment	\$	_____
Furnishings	\$	_____
Inventory	\$	_____
Other	\$	_____ for _____

16. Bank Affiliation:

Name of Bank _____
Address _____
City/State/Zip _____
Phone _____

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 & Equipment	\$ _____
d. Furniture & Fixtures	\$ _____
e. Inventory (describe)	\$ _____
f. Other	\$ _____
Total Collateral	\$ _____

19. Do you have a grantor for this loan? No ___ Yes ___ If Yes:

Print Name of Grantor _____
Signature of Grantor _____ Date Signed: _____

20. 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