

Horseshoe Foundation of Floyd County

...benefiting the quality of life for citizens of Floyd County

Small Business Revolving Loan Fund

Application Package

Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund (RLF)

Criteria

Introduction

Small businesses create the most jobs, but suffer the greatest difficulties in accessing affordable or reasonable financing for emerging businesses or business expansions resulting in job creation. The Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund (The Fund) is designed to encourage and assist business development within Floyd County by providing financing for a small, emerging private business enterprise that expands operations or increases or retains employment. The Fund is self-perpetuating through loan repayments by borrowers where the revolving characteristic will allow it to serve as a long term loan source for emerging and expanding business in the future. The Fund is capitalized by a \$250,000 grant provided by the Horseshoe Foundation of Floyd County. The Horseshoe Foundation of Floyd County has delegated the administrative responsibility to One Southern Indiana which includes the formation of the Revolving Loan Fund Review Committee (RLFRC). The RLFRC will be responsible for reviewing the loan applications, review of requested information, and will make the funding decisions.

The Revolving Loan Fund Review Committee's prime responsibility is the review and approval, or denial, of loan requests submitted through the Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund.

Eligible Industries/Businesses

The Fund is targeted to:

- Manufacturers;
- Information Technology;
- Transportation/Warehousing;
- Healthcare;
- Emerging and advanced technologies;
- Service industries;
- Trades (Electrical/Plumbing/Roofing/Professional/Lawn Care), and
- Retail

Funding Criteria

A. Business Criteria

- 1. All businesses must be located in or locating in Floyd County**
- 2. All business applicants must be in business no less than two years or have at least two years of applicable business experience**
- 3. All business applicants must be current with all tax liability payments and with no outstanding judgments**

B. Loan Criteria

1. **Loan Size** - in the \$5,000 - \$50,000 range (maximum loan size = \$50,000); all loans are at the discretion of the RLFRC.
2. **Terms** - up to 10 years for land and building; up to 5 years for equipment; and up to 2 years for working capital.
3. **Interest Rates** - 2% below Prime with a minimum rate of 3%.
4. **Repayment** – Borrower will make monthly payments starting 30 days from the closing date until the term of the loan has been completely satisfied or payoff has occurred. Prepayment penalties do not apply.
5. **Equity** – Preference may be given to the borrower that provides greater capital contribution to their project.
6. **Delinquency/Default** - A loan becomes delinquent when payments are not made on time. Payments are considered delinquent at 31 days and this loan is subject to late fees. Default is when non-payment or late payment of loan installments or failure to meet the terms and conditions of a loan occurs. The RLFRC and the Horseshoe Foundation of Floyd County are entitled to all legal means necessary for debt recovery.
7. **Exceptions** - The RLFRC has the right to make an exception based on proper mitigation.

C. Loan Application

A loan application form for the Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund may be obtained from One Southern Indiana. Personal guarantees will be required from the Principals and Owners of the company. Applications are reviewed bi-monthly.

Any and all title searches, lien records, security records, and loan closing costs will be paid by the borrower. Once the loan has passed the initial review and fits the criteria for the program a non-refundable \$100 fee is required to cover the administrative expenses for servicing the loan.

Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund

Loan Review and Approval Procedure

The Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund through One Southern Indiana (1SI) and the Revolving Loan Fund Review Committee (RLFRC) will make every effort to adhere to the guidelines described herein. However, each individual loan may present special circumstances that require some deviation from the guidelines.

STEP 1:

Each loan application is submitted to 1SI and initially reviewed by 1SI to determine if it satisfies the objectives and criteria of the Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund. A \$100 processing fee will be paid by the Borrower once it is determined the application will move on to the formal review committee.

STEP 2:

If the program objectives and criteria are satisfied, and available funds exist for funding the loan, the RLFRC will review the loan application in its entirety at their next scheduled bi-monthly meeting. The RLFRC will notify the applicant as to their findings by mail and when requested by e-mail.

STEP 3:

If the RLFRC approve the loan, the RLFRC will issue to the Borrower a formal Commitment Letter, informing the Borrower of the terms and conditions of the loan. The Borrower will be required to sign and return the Commitment Letter within ten (10) days.

Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund

LOAN APPLICATION

Name of Business: _____

Business Address: _____

City: _____ State: _____ Zip Code: _____ Telephone: _____

Contact Person: _____ Telephone: _____

Type of Business: _____ Sole Proprietorship: _____ Partnership: _____ LLC: _____ Corporation: _____

State and Date Established: _____ SIC Code: _____

Employer's Federal Identification Number: _____

Employer's State Identification Number: _____

Name of Owner #1:

Name of Owner #2:

Percentage Owned: _____%

Percentage Owned: _____%

Home Address:

Home Address:

City, State, Zip

City, State, Zip

Home Telephone

Home Telephone

Name of Owner #3:

Name of Owner #4:

Percentage Owned: _____%

Percentage Owned: _____%

Home Address:

Home Address:

City, State, Zip

City, State, Zip

Home Telephone

Home Telephone

Name of Owner #5:

Percentage Owned: _____%

Home Address:

City, State, Zip

Home Telephone

Name of Owner #6:

Percentage Owned: _____%

Home Address:

City, State, Zip

Home Telephone

Professional Services/References:

Name of Bank: _____

Bank Address: _____

City: _____ State: _____ Zip: _____ Telephone: _____

Contact Person: _____ Account #: _____

Name of Attorney: _____

Attorney Address: _____

City: _____ State: _____ Zip: _____ Telephone: _____

Name of Accountant: _____

Accountant Address: _____

City: _____ State: _____ Zip: _____ Telephone: _____

Loan Application

Required Attachments:

- A. A brief (one page or less) narrative of the business history
- B. Project description including sources of funding for the project
- C. Commitment letter from your bank regarding any financing the bank will provide for this project.
- D. Business financial information for the past two years (if applicable). For example, Balance Sheets, Operating Statements, etc.
- E. Projected revenue and expenses
- F. Signed personal financial statements that are not more than a year old. Copies of prior two years of personal Federal Tax Returns for any person(s) who owns interest in the business.
- G. Federal tax returns filed by the business for the previous two years (if applicable)
- H. Statement concerning how the project will benefit Floyd County

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. I declare that I am a legal resident or U. S. Citizen with the authority to conduct business in the State of Indiana.

Name of Business: _____

By: _____ Title: _____ Date: _____

By: _____ Title: _____ Date: _____

By: _____ Title: _____ Date: _____

Attest: _____ Title: _____ Date: _____

**Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund
Credit Check**

In connection with the business loan application of:

Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund is requesting the following information from you in order for us to obtain current credit information from one of more commercial and/or personal credit reporting institutions.

Your Full Name: _____

Your Spouse's Name: _____

Present Address: _____

Number Street

City State Zip

Former Address: _____

Number Street

City State Zip

Social Security No: _____

Date of Birth: _____

Spouse's SSN: _____

Date of Birth: _____

I authorize the Horseshoe Foundation Small Business Revolving Loan Fund to use the above information to obtain current credit report(s) as required in connection with the above-mentioned business loan application.

Your Signature: _____

Spouse's Signature: _____

Date: _____



PERSONAL FINANCIAL STATEMENT

U.S. SMALL BUSINESS ADMINISTRATION

As of _____, _____

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock, or (4) any person or entity providing a guaranty on the loan.

Name _____ Business Phone _____

Residence Address _____ Residence Phone _____

City, State, & Zip Code _____

Business Name of Applicant/Borrower _____

ASSETS		(Omit Cents)	LIABILITIES		(Omit Cents)
Cash on hand & in Banks	\$	_____	Accounts Payable	\$	_____
Savings Accounts	\$	_____	Notes Payable to Banks and Others	\$	_____
IRA or Other Retirement Account	\$	_____	(Describe in Section 2)		
Accounts & Notes Receivable	\$	_____	Installment Account (Auto)	\$	_____
Life Insurance-Cash Surrender Value Only	\$	_____	Mo. Payments \$ _____		
(Complete Section 8)			Installment Account (Other)	\$	_____
Stocks and Bonds	\$	_____	Mo. Payments \$ _____		
(Describe in Section 3)			Loan on Life Insurance	\$	_____
Real Estate	\$	_____	Mortgages on Real Estate	\$	_____
(Describe in Section 4)			(Describe in Section 4)		
Automobile-Present Value	\$	_____	Unpaid Taxes	\$	_____
Other Personal Property	\$	_____	(Describe in Section 6)		
(Describe in Section 5)			Other Liabilities	\$	_____
Other Assets	\$	_____	(Describe in Section 7)		
(Describe in Section 5)			Total Liabilities	\$	_____
Total	\$	_____	Net Worth	\$	_____
			Total	\$	_____

Section 1. Source of Income	Contingent Liabilities
Salary	As Endorser or Co-Maker
Net Investment Income	Legal Claims & Judgments
Real Estate Income	Provision for Federal Income Tax
Other Income (Describe below)*	Other Special Debt

Description of Other Income in Section 1.

*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Property			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets. (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency)

Section 6. Unpaid Taxes. (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities. (Describe in detail.)

Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies - name of insurance company and beneficiaries)

I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).

Signature: _____ Date: _____ Social Security Number: _____

Signature: _____ Date: _____ Social Security Number: _____

PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance Officer, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. **PLEASE DO NOT SEND FORMS TO OMB.**

Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund

Creditworthiness

The applicant must not be in arrears or default on any of the following obligations:

- (1) *Real property taxes;*
- (2) *Mortgage payments;*
- (3) *Federal and state tax obligations, including the timely filing of all tax returns;*
- (4) *Other debts including any past or existing Revolving Loan Fund;*
- (5) *Revolving credit loans and related obligations; and*
- (6) *Unsatisfied judgments or other claims which would interfere with The Fund's rights in the collateral.*

Noncompliance with any of the above will be considered an appropriate reason for loan refusal. The applicant will have the opportunity to correct or explain any of the above problems.

Applicants Name _____

Applicants Signature _____

Date _____

Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund

Authorization to Release Information

In connection with the business loan application of:

Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund is requesting the following information from you in order for us to obtain information from your Accountant, Attorney, and Banker (as identified on your loan application) as needed in the processing of the submitted loan application.

Your Full Name: _____

Your Spouse's Name: _____
(If Applicable)

Present Address: _____

Number Street

City State Zip

Former Address: _____

Number Street

City State Zip

Social Security No: _____

Date of Birth: _____

I authorize the Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund to use the above information to obtain information as required in connection with the above-mentioned business loan application.

Your Signature: _____

Spouse's Signature: _____
(If Applicable)

Date: _____

Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund

Yearly Loan Reporting

In connection with the business loan to:

Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund is requesting the following financial information including, but not limited to, financial statements, tax returns, progress reports on the project, and number of employees with breakdown, must be submitted to the Small Business Revolving Loan Fund Review Committee ninety (90) days after fiscal year end for each year the loan is outstanding.

Signature of Authorized Representative of Borrower

Printed Name

Title