

LEHIGH AND NORTHAMPTON COUNTIES REVOLVING LOAN FUND

INFORMATION AND APPLICATION INSTRUCTIONS

The Program: The primary goal of the Lehigh and Northampton Counties Revolving Loan Fund (RLF) is the creation and retention of permanent jobs.

Program Requirements:

The following is a brief description of the eligibility requirements.

- Each \$10,000 borrowed will require the creation of one permanent full-time job.
- RLF participation shall not exceed a \$1:\$2 ratio for the total project financing.
- Owner equity shall comprise a minimum of 10% of total project financing.
- Minimum loan \$10,000; maximum \$50,000
- A maximum of 30% of the RLF participation can be used for working capital.
- Types of activities to be financed include:
 - a. Land acquisition, including costs for engineering, legal, grading, site-work, and other related costs. RLF participation in land acquisition activities will require a firm commitment that development will begin within a six-month time period.
 - b. Professional services including real estate, engineering, architectural, legal, and related costs.
 - c. Closing costs.
 - d. Costs relating to activities which would accelerate the recycling and rehabilitation of land, buildings and other facilities for job creation or assistance to firms to locate or expand in such facilities.
 - e. Local share costs for other federal or state programs, as allowed within the lending limits of the RLF.
 - f. Machinery and equipment costs including equipment related to pollution control and improving energy efficiencies.
 - g. Costs associated with site development.
 - h. Working capital.

Approval Process: Each project will be reviewed for compliance with the above criteria and evaluated based upon established credit policies. The board of the RLF will have final approval authority.

Additionally, since this program is funded by various government sources, the applicant will be required to certify compliance to various federal laws and or codes.

Application Instructions: All sections of this application must be completed. If additional space is necessary, please attach additional information properly labeled. The inclusion of a Business Plan as part of your submission is encouraged and will address many of the individual Exhibit items listed in Section VI of the Application. Questions concerning the application or the program and completed application packages should be directed to:

Christine S. Cleaver, Administrator
Lehigh & Northampton Counties Revolving Loan Fund, Inc.
Lehigh University
125 Goodman Drive
Bethlehem, PA 18015-3700
csc2@lehigh.edu
(610) 758-5803

Fees for RLF Application:

- \$100 Non-refundable application fee, checks made payable to Lehigh & Northampton Counties Revolving Loan Fund
- \$500-750 Legal fee (these are the average range; additional fees as appropriate)
- 1% Settlement fee

**LEHIGH AND NORTHAMPTON COUNTIES
REVOLVING LOAN FUND**

APPLICATION FOR LOAN

INSTRUCTIONS FOR APPLICATION FORM

SECTIONS I, II, III. Please provide the information requested. "You" refers to the proprietor, general partner or corporate officer signing this form.

SECTION IV. Use of the loan money: if your use of the loan fits one of these categories listed on the application form, please fill out this section. If you use "other" submit a list on a separate sheet of paper and label the list **Exhibit A**.

SECTION V. Summary of collateral: if your collateral consists of (A) Land and Building, (B) Inventory, and/or (C) Accounts Receivable, complete the appropriate blanks. If you are using (D) Machinery and Equipment, (E) Furniture and Fixtures, and/or (F) Other, please provide an itemized list (labeled **Exhibit B**) that contains serial and identification numbers of all articles that had an original value greater than \$1000.

I. APPLICANT/INFORMATION ABOUT YOU

Name: _____ Soc. Sec. #: _____
Street Address: _____
City, State Zip: _____
Telephone: _____ Fax: _____
Cell Phone: _____ Email: _____

II. INFORMATION ABOUT YOUR BUSINESS

Name of Business: _____
Street Address: _____
City, State Zip: _____
County: _____ Phone: _____ Fax: _____
IRS Employer ID #: _____
Number of Employees Present: _____ After Approval: _____

Business Bank Name: _____
Account #: _____

III. INFORMATION ABOUT MANAGEMENT:

List the name of all owners (having 20% or greater interest), officers, directors, and/or partners. Provide the percent of ownership and the annual compensation. Attach additional sheets, if necessary, and label "Section III. (Continued)"

Name and Title: _____ % Ownership: _____

Address: _____ Annual Compensation: _____

Name and Title: _____ % Ownership: _____

Address: _____ Annual Compensation: _____

IV. HOW YOU PLAN TO USE THE LOAN MONEY

Building: Amt. for Building: Amt. for Land:

New ___ Purchase ___ Renovate ___ \$ _____ \$ _____

Amount for New Equipment \$ _____ Amount for Notes Payable \$ _____

Amount for Working Capital \$ _____ Amount for Equipment Repair \$ _____

Amount for Accounts Payable \$ _____ Other (See Instructions, p.5) \$ _____

TOTAL LOAN REQUESTED \$ _____

TERM OF LOAN Years: _____ Months: _____

PROJECT PURPOSE (choose one):

- ___ *Industrial* (projects include manufacturing, agriculture, forestry, fishing, mining, and construction businesses - essentially businesses engaged in the production of a product)
- ___ *Commercial* (projects include retail and wholesale trade businesses)
- ___ *Service* (projects include businesses which provide a service to individuals or businesses, i.e., those not engaged in the production of a product or the sale of merchandise)

V. SUMMARY OF COLLATERAL

	Present Market Value	Present Mortgage Balance	Cost Less Depreciation
A. Land and Building			
B. Inventory			
C. Accounts Receivable			
D. Machinery and Equipment			
E. Furniture and Fixtures			
F. Other			
Total Collateral			
\$			

AUTHORITY TO COLLECT PERSONAL INFORMATION: This information is provided pursuant to Public Law 93-579 (Privacy Act of 1974).

EFFECTS OF NONDISCLOSURE: Omission of an item means your application might not receive full consideration.

I/WE authorize disclosure of all information submitted in connection with this application to the financial institution agreeing to participate in the loan.

As consideration for any Management and Technical Assistance that may be provided, I/WE waive all claims against RLF and its consultants.

VI. CHECKLIST FOR APPLICATION PACKAGE

A number of the Exhibits noted below may be addressed within your Business Plan in which case they do not need to be separately labeled. Please mark "BP" next to those items.

Yes No N/A 1. Have you filled out a personal financial statement for each stockholder (with 20% or greater ownership), partner, officer, and owner? *Label this Exhibit C.*

Yes No N/A 2. Have you included the statements listed below? 1, 2, 3 for the last three years; interim financials 1, 2, 3, 4 dated within 90 days of filing the application; and statement 5. *Label this Exhibit D.*

1. Balance Sheet
2. Profit and Loss Statement
3. Reconciliation of Net Worth
4. Aging of Accounts Receivable and Payable
5. Projections for three years, 1st year – monthly; 2nd & 3rd years - quarterly.

Checklist for Application Package (cont.):

- Yes No N/A 3. Have you completed a list which contains the original date and amount, account number, present balance owed, interest rate, monthly payment, maturity and security for each loan or debt that your business currently has? Please indicate whether the loan is current or delinquent. *This should be labeled Exhibit E.*
- Yes No N/A 4. Have you provided a brief history of your company and a paragraph describing the expected benefits it will receive from the loan? If not, you must do so. *Label it Exhibit F.*
- Yes No N/A 5. Have you provided a brief description of the educational, technical and business background for all the people listed in SECTION III under management? If not, you must do so. *Exhibit G.*
- Yes No N/A 6. Do you have any co-signers and/or guarantors for this loan? If so, please submit their names, addresses and personal balance sheets as *Exhibit H.*
- Yes No N/A 7. Are you buying machinery or equipment with your loan money? If so, you must include a list of the equipment and the cost. *Exhibit I.*
- Yes No N/A 8. Have you or any officers of your company ever been involved in bankruptcy or insolvency proceedings? If so, please provide the details as *Exhibit J.*
- Yes No N/A 9. Are you or your business involved in any pending lawsuits? If yes, provide the details as *Exhibit K.*
- Yes No N/A 10. Does your business have any subsidiaries or affiliates? If yes, please provide their names and the relationship with your company along with a current balance sheet and operating statement for each. *Exhibit L.*
- Yes No N/A 11. If your business is a franchise, have you included a copy of the franchise agreement? *Exhibit M.*
- Yes No N/A 12. Have you included the commitment letter from other lender participating in this project? *Exhibit N*
- Yes No N/A 13. Have you attached bank appraisal of property provided as collateral? *Exhibit O*
- Yes No N/A 14. Have you included list of equipment to be provided as collateral? *Exhibit P*
- Yes No N/A 15. Have you included list of inventory to be secured as collateral? *Exhibit Q*
- Yes No N/A 16. Have you attached a copy of deed of property to be provided as collateral? *Exhibit R.*
- Yes No N/A 17. Have you included a copy of lease if business space is rented? *Exhibit S*
- Yes No N/A 18. Have you included documentation of your Federal Tax Identification Number (EIN)? *Exhibit T*

AGREEMENTS AND CERTIFICATIONS

AGREEMENT OF NONEMPLOYMENT OF RLF PERSONNEL: I/WE agree that if RLF approves this loan application I/WE will not, for at least six months, hire as an employee or consultant anyone that was employed by the RLF at the time of the disbursement of the loan.

CERTIFICATION: I/WE CERTIFY:

- (A) All information in this application and the Exhibits is true and complete to the best of my/our knowledge and is submitted to RLF so RLF can decide whether to grant a loan or participate with a lending institution in a loan to me/us.
- (B) I/WE give the assurance that we will comply with sections 112 and 113 of volume 13 of the Code of Federal Regulations. These Code sections prohibit discrimination on the grounds of race, color, sex, religion, marital status, handicap, age, or national origin by recipients of Federal financial assistance and require appropriate reports and access to books and records. These requirements are applicable to anyone who buys or takes control of the business. I/WE realize that if I/WE do not comply with these non-discrimination requirements RLF can call, terminate, or accelerate repayment of my/our loan.
- (C) The RLF Board requires a personal credit report (and business credit report where necessary) be attained for each applicant. By my/our signature(s) below, I/WE understand these credit reports will be accessed by the RLF Program Administrator.

Signature of Preparer if Other Than Applicant: _____

Print or Type Name of Preparer: _____

Address of Preparer: _____

Daytime Phone: _____ Email: _____

If Applicant is a proprietor or general partner, sign below: Date: _____

Sign: _____ Print: _____

By: _____ Print: _____

If Applicant is a corporation, sign below:

(Corporate name)

Corporate Seal Date: _____

By: _____ Print: _____
(Signature of President)

Attested by: _____ Print: _____
(Signature of Corporate Secretary)