

## **Benton County Business Loan Fund**

### **Eligibility:**

- Eligible loan applicants are manufacturing and service business located anywhere in Benton County. Funding is limited in St. Cloud due to the county's loan funding source's lending criteria.
- Borrowers can use the County funds for fixed assets purchases like land, buildings, machinery/equipment, including building modifications or equipment that provide energy efficiencies.

### **Conditions of the Loan:**

- Applicants must be in compliance with local government zoning codes as well as all other local, state, and federal laws applicable to them.
- Job creation is a requirement for loan consideration and under certain circumstances job retention will be considered. One (1) FTE job per \$20,000 of borrowed funds is required. In circumstances where the funds are used for energy efficiencies or productivity job retention may be considered.

### **Financial Structure:**

- Benton County may provide up to 35% of project cost or a maximum of \$150,000 to any company.
- A financial institution must be involved in the development project.
- Loan terms are structured based on the size of the loan and the assets being financed.
- Interest rates are fixed and will be below the participating banks interest rate. Each project is evaluated separately on collateral, nature of the risk and length of loan. Periodic reviews of the rates are conducted to ensure the County's economic development fund and program objectives are being met

### **Collateral:**

- Benton County requires full collateral coverage on loans. Second security or subsequent interest positions are accepted as warranted.
- Personal Guarantees are required from the borrowers.
- By Federal mandate, life insurance on the principle(s), for the amount of the loan is also required. This insurance policy must be assigned to Benton County.

### **Application Process:**

- Applicants must complete the loan application and provide all requested supporting documentation.
- The complete loan application is reviewed by the Finance Committee – approvals are also required by the Benton County Economic Development Committee and the Benton County Economic Development Authority.
- Loan approval generally takes between 60-120 days upon submittal of a completed loan application.

### **Costs: Borrowers will be responsible to pay the following costs related to the loan:**

- A non-refundable \$45.00 application fee.
- There is a 1% origination fee ½ due upon commitment of funds and ½ due at closing.
- All legal costs incurred by the originator (generally between \$1,200 and \$1,700)
- Other costs such as filing, recording, and security search fees as needed.
- All loans will be set up on Automatic Payment.

## Benton County RLF Final Application

Name of Business \_\_\_\_\_  
Business Address \_\_\_\_\_  
Business Phone \_\_\_\_\_  
Tax Identification # \_\_\_\_\_ NAICS Code \_\_\_\_\_

Principles	Address	Phone
_____	_____	_____
_____	_____	_____
_____	_____	_____

Type of Business: Sole Proprietorship \_\_\_\_\_ Corporation \_\_\_\_\_ Partnership \_\_\_\_\_  
Date Established: \_\_\_\_\_ New Business \_\_\_\_\_ Business Expansion \_\_\_\_\_

**Participating Bank:** \_\_\_\_\_  
Address: \_\_\_\_\_ Phone: \_\_\_\_\_  
Contact Person: \_\_\_\_\_

**Participating Lender:** \_\_\_\_\_  
Address: \_\_\_\_\_ Phone: \_\_\_\_\_  
Contact Person: \_\_\_\_\_

**Legal Counsel:** \_\_\_\_\_  
Address: \_\_\_\_\_ Phone: \_\_\_\_\_  
Contact Person: \_\_\_\_\_

**Accountant:** \_\_\_\_\_  
Address: \_\_\_\_\_ Phone: \_\_\_\_\_  
Contact Person: \_\_\_\_\_

To be signed by the applicant:  
"I declare that the information provided in this application is true and to the best of my knowledge. I understand that Benton County has the right to verify this information and will be in contact with those individuals and institutions involved in this proposed project as well as credit references. False information, in addition to disqualifying me from any further considerations and financial assistance, may also subject me to litigation or recover the County's expenses related to reviewing this application and/or the costs to collect any loan balances. In addition, I understand that Benton County may release information for public relations purposes regarding the project, excluding any confidential financial information.

By: \_\_\_\_\_ Date: \_\_\_\_\_

## **Benton County RLF Application**

Description of Business: (Use additional pages if necessary)

Description of Project: (Use additional pages if necessary)

**Projected job generation within a two-year time frame as a result of this loan:**

Existing Jobs \_\_\_\_\_ + Jobs Created \_\_\_\_\_ = Total \_\_\_\_\_

**Source and Use of Funds**

Purposes for which funds are to be used	Benton County	Banks	Equity	Other (specify)	Other (specify)	Other (specify)	Total
Property Acquisition	\$	\$	\$	\$	\$	\$	\$
Site Improvement							
Building Renovation							
New Construction							
Machinery & Equipment							
Working Capital							
Inventory							
Debt Financing	N/A						
Other (specify)							
Other (specify)							
TOTAL							

**Project Cost and Request Summary**

	BC	Bank	Equity	Other	Other	Other	Total
Amount	\$	\$	\$	\$	\$	\$	\$
% of Project Cost	%	%					
Term (years)*							
Amortization							
Interest Rate							
Debt Service							
Lien Position							
Collateral							
Guarantee							

## JOB CREATION/RETENTION INFORMATION

A. Provide the following information on the jobs that you expect to create and/or retain due to the Loan from the Business Loan Program.

### Jobs to be Created or Retained

1. Job Title	2. No. of Jobs	3. Hourly Wages	4. Annual Salary	5. Are jobs Perm. or Temp.?	6. Are jobs Full or Part Time?	7. Expected Hiring Date

B. Job Creation Timetable: Indicate in the following table the quarter following receipt of loan funds when jobs will be added to the firm.

Job Title	Total from								
	Sec. A Col 2	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 5	Qtr. 6	Qtr. 7	Qtr. 8

- C. Assurance of Benefit to Low-Income Persons. By submitting this loan application, the applicant agrees to:
1. a commitment that it will create the new jobs identified above within two years after the loan is made;
  2. a commitment to retaining those jobs identified as retentions for at least three years after the loan is made
  3. a commitment that it will make available the positions for low-income persons by documenting that the following steps were or will be taken:
    - a. the skill level of the jobs available meets that of general low-income population;
    - b. the education and experience required meets that of the low-income population;
    - c. the training provided by the employer, if training is needed, will make the jobs available to the low income population.
    - d. that advertising, recruitment, and other outreach efforts are made; and that they will provide documentation that they have contacted and involved the low income population by notifying appropriate Job Training Offices of the positions which will be available (see attached list); and
  4. provide information, as requested, to Benton County documenting the creation or retention of jobs.

I certify the above information and statements contained herein or attached hereto are a true and accurate statement of the financial condition of the business and its principals. I also certify that the business is current on all its federal and state taxes.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Check List For Final Application

The following is a list of the information and documentation necessary to submit a final application. Forms have been enclosed to aid you in preparing this information. You may feel free to use your forms provided all the necessary information is furnished.

- \_\_\_\_\_ A. History of Business
- \_\_\_\_\_ B. Market Analysis and Strategy
- \_\_\_\_\_ C. Products
- \_\_\_\_\_ D. Manufacturing Process
- \_\_\_\_\_ E. Financial Information
  - 1. Monthly Cash Flow Analysis for next 12 months (sample available)
  - 2. Profit and Loss Statements: last three years, current statement (less than 90 days) and three years projections
  - 3. Balance Sheets: last three years, current, and three years projections
- \_\_\_\_\_ F. Schedule of Business Debts
- \_\_\_\_\_ G. Statement of Collateral
- \_\_\_\_\_ H. Resumes and Personal Financial Statements (sample available)
- \_\_\_\_\_ I. Commitment Letters from Lenders
- \_\_\_\_\_ J. Affiliates
- \_\_\_\_\_ K. Appraisals/Proposed Lease/Purchase Agreements
- \_\_\_\_\_ L. Corporate/Partnership Authorization

## ADDITIONAL ATTATCHMENTS

- \_\_\_\_\_ 1. Last year's Business Income Tax Statement
- \_\_\_\_\_ 2. Last year's Personal Income Tax Statement
- \_\_\_\_\_ 3. Evidence of Payroll tax payment
- \_\_\_\_\_ 4. Evidence of Worker's Compensation Insurance
- \_\_\_\_\_ 5. Verification of no outstanding judgment or tax liens exist
- \_\_\_\_\_ 6. Loans used for Energy Efficiency must include proof of the use of the funds by the vendor or an energy audit.

## TO BE SIGNED BY THE APPLICANT

I have willfully furnished this confidential information to the Benton County Development Office for the purpose of applying for a loan. I understand that this information will be reviewed by the Benton County Staff and will be available for review by the BCEDC Finance Subcommittee.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Amended 7/15/2008  
Benton County Economic Development Authority