

OCTOBER 2013

MULTI-BANK LOAN POOL GUIDELINES

The Greater Beloit Economic Development Corporation desires to maintain the size and participation of the existing multi-bank loan pool. To facilitate this, guidelines are proposed to outline the program and eligibility requirements.

PROPOSED FINANCIAL INSTITUTION PARTICIPANTS/AMOUNT

First National Bank and Trust Company	\$ 275,000
Blackhawk State Bank	\$ 275,000
Gateway Community Bank	\$ 275,000
BMO Harris Bank	\$ 275,000
First American Credit Union	<u>\$ 175,000</u>
Total Pool	\$1,275,000

- Multi-Bank Loan Pool Committee will have a representative from each financial institution.
- Loan approvals will require a unanimous vote of participating committee members. All loans are to be participated equally among the participating members of the pool.
- Minimum loan \$50,000.
- Normal commercial loan underwriting standards will apply.
- To participate in the Multi-Bank Loan Pool Committee participating financial institutions must be active Investors and in good standing with the GBEDC.

GENERAL GUIDELINES

- Loans are to be made to for profit businesses located in the Greater Beloit area.
- Loans may be made for business start-up, expansion or recruitment. Businesses will need to commit to retention or expansion of jobs to receive funding.
- Preference will be given to value added business concerns.
- Desirable businesses:
 1. Manufacturing/Assembly
 2. Warehouse Distribution
 3. Service and Professional
 4. Commercial Real Estate Development
 5. Retail
 6. Multi-Family Residential
 7. Land Development

The loan pool will strive to avoid loan concentrations. This includes concentrations to individual borrowers and related interests as well as to specific industries or industry segments. In no cases, will loans be granted to not for profit businesses or to businesses engaged in illegal activities. The loan pool may decline funding of an eligible loan on the basis of credit concentration concerns.

- Eligible uses of funds:
 1. Purchase, expansion or remodeling of commercial real estate.
 2. Purchase of machinery and equipment.
 3. Finance Inventory.
- Ineligible uses of funds:
 1. Loans where primary repayment source is future equity or potential refinancing of debt.
 2. Loans without a secondary source of repayment.
 3. Loans for political purposes.

4. Loans for speculative purposes.
 5. Loans secured by restricted stock in closely held corporations.
- All loans will be secured. May be a first or second lien interest.
 - All loans require personal guarantee of the owners.
 - All loans to be term loans. No revolving credit lines. All loans require monthly payments. Initial term of loans not to exceed 60 months. Overall amortizations based on type of loan.
 - Loans may be priced on either a fixed or floating basis. Flexible guidelines will be considered depending on credit quality.
 - Fees may be charged including application and origination fees. Borrower will pay all out of pocket costs. There will be a one time application fee of \$150.00 payable to the Greater Beloit Economic Development Corporation.

APPLICATION:

Potential borrowers may apply in one of three ways:

- Through the Greater Beloit Economic Development Corporation.
- Through the City of Beloit Economic Development Department.
- Through a participating lender.

**GREATER BELOIT
ECONOMIC DEVELOPMENT CORPORATION
MULTI-BANK LOAN POOL
INITIAL DATA SHEET AND APPLICATION
OCTOBER 2013**

1. APPLICANT INFORMATION

Name _____
Address _____
City/State/Zip _____
Telephone _____ (work) _____ (home)
E-mail _____ Website _____

2. BUSINESS INFORMATION

Name of Business _____
Address _____
City/State/Zip _____
Year Business Established _____ Business SIC# _____
Business Structure (check one):
Sole Proprietorship _____ Partnership _____
Corporation _____ S-Corp _____ Other _____
Number of Employees: _____ Full-time _____ Part-time _____

3. MANAGEMENT INFORMATION

List all owners, officers, directors, and/or partners having 20% or greater ownership interest.

Name _____
Title _____ % Ownership _____
Address _____
City/State/Zip _____
Telephone _____ Age _____ Years Experience _____
Minority or Female Owner Yes _____ No _____

Name _____
Title _____ % Ownership _____
Address _____
City/State/Zip _____
Telephone _____ Age _____ Years Experience _____
Minority or Female Owner Yes _____ No _____

Name _____
Title _____ % Ownership _____
Address _____
City/State/Zip _____
Telephone _____ Age _____ Years Experience _____
Minority or Female Owner Yes _____ No _____

Name _____
Title _____ % Ownership _____
Address _____
City/State/Zip _____
Telephone _____ Age _____ Years Experience _____
Minority or Female Owner Yes _____ No _____

Name _____
Title _____ % Ownership _____
Address _____
City/State/Zip _____
Telephone _____ Age _____ Years Experience _____
Minority or Female Owner Yes _____ No _____

4. DESCRIPTION OF BUSINESS PROJECT

Location of Project: _____

Description of Proposed Project: _____

Size of proposed expansion _____ sf

Will new facility expand existing business operations? Yes No ___

Will your business occupy entire building? Yes ___ No ___

If no, specify what percent you will occupy ___%; and list other occupants/uses:

Percentage to be occupied by applicant _____%

Will new facility replace existing facility? Yes___ No___

Projected Employment (within 18 months of project completion):

Management	_____
Professional/Technical	_____
Service/Clerical	_____
Manufacturing	_____
Other	_____
Total Jobs	_____

Is it anticipated that any person or business might be displaced or relocated or any adverse environmental impacts occur, as a result (either directly or indirectly), of the proposed project? Yes___ No___

If Yes, explain: _____

Is project located in the Beloit Development Zone? Yes___ No___

5. PROJECT COSTS/USES OF FUNDS

Acquisition	\$ _____
Renovation (exterior)	_____
Rehabilitation (interior)	_____
Land Improvements	_____
New Construction	_____
Machinery/Equipment	_____
Architectural/Engineering	_____
Other	_____
Total Project Cost	\$ _____

6. PROJECT FINANCING/SOURCES OF FUNDS

Personal Funds/Cash Equity \$ _____

Lender #1 Funds (Bank Loan): Name of Lender _____
Amount \$ _____
Interest rate _____
Term _____

Use of Loan Proceeds _____
Collateral _____

Lender #2 Funds (SBA or other): Name of Lender _____
Amount \$ _____
Interest rate _____
Term _____

Use of Loan Proceeds _____
Collateral _____

City Revolving Loan Funds:
Amount \$ _____
Interest rate _____
Term _____

Use of Loan Proceeds _____
Collateral _____

7. EXISTING BUILDING CONDITIONS

Does your business occupy entire building? Yes ___ No ___

If no, specify what percent you will occupy ___%; and list other occupants/uses:

If Owned: Size of Facility _____ Date Acquired _____

Purchased Price \$ _____
Existing 1st Mortgage Balance \$ _____
Original Mortgage Amount \$ _____

Name and address of mortgagee/lender

Existing 2nd Mortgage Balance \$ _____

Original Mortgage Amount \$ _____

Name and address of mortgagee/lender

Amount currently owing and Unpaid on Land Contract \$ _____

Original Land Contract Amount \$ _____

Name and address of vendee/holder of contract

Recent appraised value \$ _____

Date of appraisal _____

If Leased:

Size of facility _____ sf

Term of Lease: Beginning Date _____

Termination Date _____

Annual Rent: \$ _____

Is rent payable: Monthly _____ Quarterly _____ Annually _____

Percentage Rentals: Yes ___ No ___ % ___

Name and address of Owner/Lessor:

8. CONTRACTOR INFORMATION

General Contractor _____
Street Address _____
City/State/Zip _____

<u>Item</u>	<u>Name of Sub-Contractor</u>	<u>Amount</u>
Architect/Engineer Services:	_____	_____
Excavation:	_____	_____
Grading:	_____	_____
Gravel:	_____	_____
Blacktop/Concrete:	_____	_____
Utility Extensions:	_____	_____
Mason:	_____	_____
Structural Steel:	_____	_____
Carpenter:	_____	_____
Lumber:	_____	_____
Millwork:	_____	_____
Cabinets:	_____	_____
Roofing:	_____	_____
Insulation:	_____	_____
Plaster/Drywall:	_____	_____
Windows:	_____	_____
Awnings:	_____	_____
Electric:	_____	_____
Plumbing:	_____	_____
Heating:	_____	_____
Sheet Metal:	_____	_____
Air Conditioning:	_____	_____
Linoleum, Tile, Carpet:	_____	_____
Painting-Interior:	_____	_____
Painting-Exterior:	_____	_____
Other:	_____	_____
		TOTAL \$ _____

(Must equal "Total Project Cost" in Section 5 of application), excluding acquisition and machinery and equipment costs.

APPLICATION AGREEMENT

The applicant certifies that all information in this application and all information furnished in support of this application, is given for the purpose of obtaining a loan under the GBEDC Multi-Bank Loan Pool Program, and is true and complete to the best of the applicant’s knowledge and belief.

The applicant further certifies that he/she/they are the owner(s) or contract owner(s) of the project property described in this application; or the lessee of project property with proof of owner consent to improve said property.

The applicant further certifies that the loan proceeds will be used only for the work and materials identified in this application, and that applicant will abide with all provisions and guidelines of the GBEDC Multi-Bank Loan Pool Program.

The applicant authorizes the GBEDC to request and receive information required to verify company and owner financial statements, credit history, and business and property ownership status; and the disclosure of all information submitted in connection with this application, by and between the GBEDC and any lender agreeing to participate with applicant’s loan through this program.

Signature of Applicant

Signature of Applicant

Name (print)

Name (print)

Date

Date

CERTIFICATION STATEMENT OCTOBER 2013

THE APPLICANT

1. Certifies that to the best of its knowledge and belief, the information being submitted to the GBEDC is true and correct.
2. Certifies that the GBEDC is authorized to obtain a credit check on the applicant, the business, and/or the individuals(s) with controlling ownership interest (20% or more).
3. Understands that unless it qualifies as a trade secret, all information submitted to the GBEDC is subject to Wisconsin's Open Records Law.

The applicant requests that the GBEDC treat the following items as TRADE SECRET:

	Yes	No	NA
a. Personal financial statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Personal or business tax returns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Historical business financial statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Business financial projections	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Plan or study to be funded by the GBEDC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If section 3 is left blank then all information provided to the GBEDC will be open to examination and copying.

Signature: _____
(Authorized Representative)

Date: _____

Signature: _____
(Authorized Representative)

Date: _____

SUBMITTALS

The following information is to be submitted along with the application for funding.

1. Personal Resumes

Completed personal resumes for each principal having 20% or greater ownership interest. Include description of experience and management capabilities.

2. Business Plan

Describe the firm by its type, legal organization, ownership, management, stage of development, place in the market, objectives, marketing strategy, place in the industry, agreements with other businesses, financing and capital requirements. The business plan should include a four-digit SIC code, discussion of the management team and its experience, a discussion of the market and identification of major competitors, a discussion of sales growth and composition of the customer base, a discussion of accounting methods applied to inventory and the aging of inventory, a discussion of terms offered to customers and the aging of account receivables, a discussion of agreements with suppliers and other trade accounts and the aging of accounts payable, a description of the debt structure and the status of outstanding debts, and a schedule of debt repayments.

3. Financial Information

The following information must be prepared and signed by a qualified accountant:

- A. New/start-up business (less than one fiscal year in operation)
 - 1. Current personal financial statements not older than 90 days for each principal identified in #3 Management Information.
 - 2. Five year projected annual balance sheet and annual profit/loss statement (quarterly statements for year 1; annual statements for years 2-5).

- B. Existing Business (more than one fiscal year in operation)
 - 1. Current personal financial statements not older than 90 days for each principal identified in #3 Management Information.
 - 2. Current business balance sheet, profit/loss statement, and statement of change in cash position not older than 90 days.
 - 3. Historic annual business balance sheet and annual profit/loss statement for each of last 3 fiscal years.
 - 4. Five year projected annual balance sheet and annual profit/loss statement.

4. Letter of Financial Commitment

All funds committed to the project (equity and debt capital) must be evidenced by letter of commitment from borrowers and/or lenders. Such letters shall state the amount of funds committed to the project, and the terms and conditions under which the funds are to be provided. The only permitted contingency in their letters shall be receipt of revolving loan funds for the project.

5. Bid Documents

Applicant will be required to submit all bid documents received for the proposed work to be completed.

6. Plans and Specifications

For new construction and construction of additions or expansions to existing building, plans and specifications are to be submitted as per site plan requirements of the appropriate municipality.

7. Machinery and Equipment

Applicants applying for funds for the purchase of machinery and equipment must submit a detailed listing of all items to be acquired from whom they will be purchased, purchase price, and whether the item is for replacement purposes or for additional capacity.