

**PLANNING & DEVELOPMENT DISTRICT III
AREAWIDE BUSINESS COUNCIL, INC.**

Loan Application

GENERAL INFORMATION

Name:

Social Security Number:

Business Federal Tax ID Number:

Address:

City:

State:

Zip Code:

Phone:

Fax:

E-Mail:

Contact Person:

Amount Applying For:

Proposed Terms:

DESCRIBE YOUR BUSINESS:

(Legal structure, ownership, primary business activity, management and subsidiaries, divisions or major outside investments by company or owners) Please attach additional pages as necessary.

DESCRIBE THE PROPOSED PROJECT:

SOURCE OF FUNDS:

ABC _____
Owner Equity _____
Lender _____
Other _____
Other _____

Total _____

USE OF FUNDS:

Land _____
Land Improvements _____
Purchase or Remodeling Building _____
New Construction _____
Machinery & Equipment _____
Furniture & Fixtures _____
Inventory _____
Working Capital _____
Other _____

Total _____

PARTICIPATING LENDER:

Bank Name _____
Contact Person _____
Address _____
Amount _____
Term _____
Rate _____

APPLICANT EQUITY: (ABC requires a minimum of 10% of project costs)

Amount _____
Source _____

JOB CREATION – RETENTION INFORMATION:

	Full-time	Part-time
Present Number of Employees	_____	_____
Total Number of Jobs to be Created or Saved	_____	_____
Anticipated Wage Range	_____	_____
Nature & Number of Positions:		

PUBLIC BENEFIT: (Describe how the project will benefit your community and the surrounding area. Additional pages may be attached.)

BUSINESS CREDITORS AND REFERENCES:

Name _____
Address, City, State, Zip _____
Contact Person _____
Phone Number _____
Type of Account _____
Account Number _____
Balance _____
Date _____

Name _____
Address, City, State, Zip _____
Contact Person _____
Phone Number _____
Type of Account _____
Account Number _____
Balance _____
Date _____

MARKET FEASIBILITY:

Describe the market that exists for your product or service and your ability to compete.
Address your market share.

Describe your method of selling and distribution.

How do you price your product or service?

Where is your market heading? Describe the trend in the industry.

What are the most important factors affecting your ability to compete in the market place?

ENVIRONMENTAL INFORMATION

Environmental Checklist: Will the project have an impact on the following factors?

	Yes	No
Agricultural Lands	_____	_____
Wetlands	_____	_____
Surface or Ground Water Quality	_____	_____
Drinking Water Supply	_____	_____
Air Quality	_____	_____
Sewage Treatment Facilities	_____	_____
Solid Waste Disposal	_____	_____
Transportation Access or Facilities	_____	_____
Wildlife	_____	_____

If the answer is “Yes” to any of the categories, attach an explanation.

Zoning: Is the project location zoned for the intended purpose?

_____ Yes _____ No

Explain:

Special Hazards:

Will the business produce, use, or store any toxic or hazardous materials or chemicals?

_____ Yes _____ No

If yes, explain.

Will the project be located in a flood hazard zone?

_____ Yes _____ No

If yes, explain.

Historical Properties: Will the project have any effect on a historical district, historic property, or archaeological site?

_____ Yes _____ No

If yes, explain.

FINANCIAL INFORMATION

ABC requires three years of business financial statements (Income Statements and Balance Sheets). If the business is less than three years old, please provide all previous financial information. Audited financial statements are preferred, however, other statements may be acceptable. Unaudited financial statements are to be signed and dated by an authorized financial officer of the applicant business. Include details (term, maturity, interest rate) on existing debt agreements. Additional records may be requested.

ABC also requires three years of pro-forma financial data (projections). The Small Business Development Center (SBDC) will generate these projections by working with the applicant and ABC.

In addition, all applicants must include a personal financial statement (form attached) on the applicant and all principals with a 25% or greater interest in the business. Other personal and business records may be required.

NEED FOR ASSISTANCE

All applications must include the following information:

- Schedule 1 – Documentation of Need & “But For” Acknowledgement (attached)
- Letter from the private bank lender documenting the lack of private financing for the total project.
- Authorization for Release of Information (attached)

BORROWER RECORDKEEPING AND REPORTS

ABC borrowers will be required to provide and maintain various administrative documents. The following examples represent the types of information that may be required.

- Periodic Reports, including, but not limited to:
 - Financial Statements
 - Job Creation/Retention Documentation
- Proof of Insurance
 - Liability
 - Fire
 - Workmans Compensation
 - Hazard
- Other
 - Proof of Equity Contribution
 - Verification of Bank Financing
 - Inventory and Equipment Listing

**CERTIFICATION AND NONDISCRIMINATION STATEMENT, DISCLOSURE
NOTICE AND SIGNATURE**

All of the information contained in the application is true and complete to the best belief and knowledge of the applicant and there is no intent to deceive or defraud the Areawide Business Council, Inc.

The applicant further authorizes ABC to conduct any background and credit checks it deems necessary to determine the credit worthiness of the applicant.

The applicant understands and agrees to accept any and all record keeping and reporting that may be associated with an ABC loan.

The applicant acknowledges that the purpose of the RLF is to support business activities for which credit is not otherwise available on terms and conditions which would permit completion and/or the successful operation of the project in the following counties: Aurora, Bon Homme, Brule, Charles Mix, Davison, Douglas, Gregory, Hanson, Hutchinson, Jerauld, Lyman, Sanborn, Tripp and Yankton. The applicant further acknowledges that ABC reserves the right to recall the loan if these requirements are not met.

The applicant recognized that ABC may not process an incomplete application and that future evidence of application fraud or other misrepresentation may result in the calling of the loan.

“USDA is an equal opportunity provider, employer and lender”. To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice), or (202) 720-6382 (TDD).

The following information is requested by the federal government in order to monitor compliance with federal laws prohibiting discrimination against loan applicants on the basis of race, national origin, and sex. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, Rural Development is required to note the race/national origin and sex of individual applicants on the basis of visual observation or surname.

BORROWER

CO-BORROWER

____ I do not wish to furnish this information

____ I do not wish to furnish this information

Race:

- ____ American Indian or Alaska Native
- ____ Asian
- ____ Black or African American
- ____ Native Hawaiian or Pacific Islander
- ____ White
- ____ Other (specify) _____

- ____ American Indian or Alaska Native
- ____ Asian
- ____ Black or African American
- ____ Native Hawaiian or Pacific Islander
- ____ White
- ____ Other (specify) _____

Ethnicity:

- ____ Hispanic or Latino
- ____ Not Hispanic or Latino

- ____ Hispanic or Latino
- ____ Not Hispanic or Latino

Sex:

____ Female ____ Male

____ Female ____ Male

Name of Applicant

Name of Authorizing Official

Title of Authorizing Official

Signature

Date

Schedule 1 – Need for Assistance

Documentation of Need

Applicants must provide evidence that financing is unavailable from conventional lending sources. Please check the following condition(s) that apply to your project and explain your response.

1. Conventional financing is not possible under local credit conditions, even though the applicant is eligible for commercial credit;

Yes _____ No _____

Explanation: _____

2. The project represents an unacceptable risk to local lenders;

Yes _____ No _____

Explanation: _____

3. The location of the project within a distressed area or another risk factor, results in the need for innovative financing to reduce the potential of business failure and increase public benefits;

Yes _____ No _____

Explanation: _____

4. Although potential financing is possible, the successful completion of the loan package is dependent upon RLF participation;

Yes _____ No _____

Explanation: _____

“But-For” Acknowledgement

Applicants must certify that “but-for” the involvement of the Areawide Business Council, Inc. (ABC) the project will not go forward. The following statements must be signed in order for your project to receive ABC assistance.

BUT-FOR the involvement of the ABC Revolving Loan Fund the number of jobs specified in this application could not be created or retained; and

BUT-FOR the involvement of the ABC Revolving Loan Fund the amount of private financing and applicant equity specified in this application would not be leveraged by the applicant for the proposed project.

Signature

Title

Date

AUTHORIZATION FOR RELEASE OF INFORMATION

I (We) hereby supplement the Loan Application of _____, 20 ____, and agree as follows:

1. Said application, this application, and all support information is the property of:

AREAWIDE BUSINESS COUNCIL, INC.

Hereafter referred to as Lender, at its office at:

**PO BOX 687
YANKTON, SD 57078**

2. Lender is authorized to make credit checks or inquiries concerning my (our) creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, and matters relating to assets, liabilities, and reference on said application and support information, any subsequent application and support information; or any loan servicing request or action on any loan resulting from said applications.
3. Creditors, including but not limited to credit reporting agencies, state and national banks, Federal Land Banks, Production Credit Associations, and the Farmers Home Administration and others, are hereby authorized to disclose to Lender any information relative to any of my (our) loans, accounts, purchases, other financial transactions, production or marketing information or other pertinent information, whether past, present, or future, with said creditors;
4. Lender is authorized to share with credit reporting agencies, creditors doing business, or who may do business with me (us), and agents working for me (us), information regarding this extension of credit, and subsequent transactions or loan servicing actions resulting from any extension of credit, and my (our) general credit history;
5. ASCS, SCS, and other county, state, and federal agencies are authorized to make available all aerial maps, land descriptions, water and soil data, commensurate or base property qualifications, grazing survey data, crop yield or production data, and other pertinent data covering any real estate owned, rented, and /or optioned by me (us).
6. Photocopies of this authorization may be presented to and relied upon by my (our) creditors and others as evidence of my (our) authorization to release information to the Lender.

_____ Applicant	_____ Date	_____ Applicant	_____ Date
_____ Applicant	_____ Date	_____ Applicant	_____ Date

APPLICATION PACKAGE CHECKLIST

The following items must be submitted in order to be considered a complete application:

- ___ Loan Application (completed and signed)
- ___ Schedule 1 – Need for Assistance (signed)
- ___ Authorization for Release of Information (signed)
- ___ Personal Financial Statement(s) for principals (current and signed)
- ___ Income Statements (past 3 years for existing businesses)
- ___ Balance Sheets (past 3 years for existing businesses)
- ___ Pro-forma Income Statements (3 year projections) – SBDC prepared
- ___ Pro-forma Cash Flow Statements (3 year projections) – SBDC prepared
- ___ Pro-forma Balance Sheets (3 year projections) – SBDC prepared
- ___ Bank letter establishing their commitment and the need for RLF financing
- ___ Legal description of the project site