

BUSINESS LOAN APPLICATION



Northern Neck Planning District Commission
Northern Neck Revolving Loan Program
P.O. Box 1600, 457 Main Street
Warsaw, Virginia 22572
Phone: 804-333-1900, Fax: 804-333-5274

Date: _____

Name of Business: _____

Address: _____

Contact Person: _____

Phone Number: _____ Email: _____

Type of Business (circle one): Sole proprietorship / Partnership / Sub-chapter S Corp. / C Corporation

Nature / Line of Business: _____

Key Owners / Officers

Name: _____ Title: _____

Address: _____

Length of time in business: _____ Time under current management: _____

Owner's cash or other equity invested: _____

Loan Request

1. Amount of loan: _____ 2. Type of loan: Term loan – Five years 3. Interest rate: 3%

Declaration

I declare to the best of my knowledge that the information in this application is complete and accurate. I certify that the requested loan is for a business purpose only, and will be spent for the use described above in this application. I authorize the Northern Neck Planning District Commission to check my credit history.

(Applicant name)

Signature of Applicant

Date



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LOAN POLICIES

TYPE OF FINANCING & INTEREST RATE

The type of financing is fixed-asset financing. The interest rate will be set by the Revolving Loan Fund Advisory Board at the time of closing. The interest rate can be set at any rate between 3% and six points below the prime rate, with 3% being the lowest rate available. It is anticipated that most loans will be at the 3% rate.

TERMS

The term of the loan cannot exceed five (5) years. Scheduled amortization shall not exceed five (5) years. The borrower must have an equity interest in the business or building. The loan must be repaid on a monthly basis over the five-year term. There is no prepayment penalty.

The borrower of program funds is required to execute a legally binding agreement with the Northern Neck Planning District Commission. The Revolving Loan Fund Advisory Board will require the borrower to provide appropriate assurances that the loan proceeds are expended as proposed.

The owner of a building may apply for a loan under this program.

AMOUNT

The minimum loan amount is \$1,000.00 and there is no maximum loan amount per individual business. Building owners may apply for a loan for each business or projected business within their building. There is no maximum amount a building owner may qualify for, but the advisory board must review the loan application to ensure that the jobs being created are realistic.

USES

Allowable uses of funds which are received from the revolving loan fund are for building and land acquisition, leasehold and site improvements, new construction and rehabilitation costs, purchase of fixtures, machinery, and equipment and associated installation costs.

ELIGIBILITY REQUIREMENTS

Any new or existing commercial business or building owner locating and/or expanding in the project area may apply for a loan through the Revolving Loan Fund, subject to eligibility requirements.

The Eligibility Requirements for the Revolving Loan Fund:

1. Provide proof that the business or building is located and has a permanent physical address in project area.
2. Provide proof that it is not the borrower's place of residence.
3. Provide proof of equity interest in business or building.
4. Provide a business plan.



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COSTS & FEES

Application, credit-report costs, origination fees, and closing costs will be charged to the borrower. Applicants are responsible for loan closing costs and settlement fees.

NON-DISCRIMINATION

In the Revolving Loan Fund Program, there will be no discrimination on basis of race, color, religion, national origin, sex (including sexual orientation), marital status, disability, or age in any of its policies, procedures, or practices.

APPLICATION PROCESS AND DOCUMENTATION

The Northern Neck Planning District Commission will accept applications from eligible businesses or building owners on a first-come, first-served basis. At the NNPDC's discretion, submission of applications for assistance may be limited to certain windows of time (rounds of funding). The Revolving Loan Fund Program will apply all procedures in a uniform manner. No applicant or employee will be asked for additional information based on age, race, color, religion, sex (including sexual orientation), handicap, familial status or national origin. The program will be implemented to assure consistent and equitable assistance to all program participants.

Completed applications and required documentation will be reviewed by the Revolving Loan Fund Advisory Board. Following approval of the loan application by the Revolving Loan Fund Advisory Board, the Board will make a recommendation for the NNPDC to prepare the necessary loan contract documents.

The Revolving Loan Fund will continue as program income becomes available, generated through the recapture or repayment of loan, or if new sources of funding become available to the Northern Neck Planning District Commission. All loan applications must be submitted with complete documentation of eligibility. Applications must be made on the form provided by the NNPDC and must be signed by all the business owners. The application submission must include the following items in order to be considered. The Revolving Loan Fund Advisory Board may waive or request additional information at its discretion.

Information Which May be Required from Applicants:

1. Completed and signed application
 - a. Loan Request Worksheet
 - b. Personal Financial Statements
 - c. Credit Authorization Form
 - d. Tax Returns (two fiscal years)
 - e. Balance Sheet, Profit & Loss Statement, (AP & AR for current 90-day period)
 - f. Disclosure Statement(s)
 - g. Business Lease/deed
2. Current three-year business plan and management resumes
3. Current eighteen month financial projections (including P&L, cash flow, owner compensation)
4. Personal credit report (as appropriate)
5. Three business references
6. Copy of collateral offered & current market value (title, deed, security paper, etc.)
7. Statement indicating what the loan will be used for.