

ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF FLINT

Dear Applicant:

Thank you for your interest in the Economic Development Corporation of the City of Flint loan program. Enclosed are the Commercial Loan Guidelines and Application. Please review this information carefully.

The loan application process has been streamlined to minimize excessive paperwork and time. However, adequate information is required to make an informed decision on your loan. We urge your understanding and cooperation in completing the Application and supporting documents. Please complete the attached Application by printing or typing clearly and make sure that it is signed, dated and all requested attachments are included.

Please provide the following information with the attached Application:

1. **BUSINESS DESCRIPTION**. A written description of the business, including the following:
 - a) A brief history of the existing or proposed business, including when it started or is to start, type of operation, legal structure, markets and products.
 - b) Key customers and clients.
 - c) A brief personal resume of each principal associated with the business, including number of years, experience, educational background, and personal involvement in the proposed business.
 - d) Projected job creation/retention including titles, pay range, and benefits offered.
 - e) A copy of the business's Articles of Incorporation, Operating Agreement or Partnership Agreement.
2. **PROJECT DESCRIPTION**. Explain how the company plans to use the requested funds.
3. **LETTERS OF FINANCIAL COMMITMENT**. All funds committed to the project must be evidenced by Letters of Commitment from borrowers and / or lenders. The applicant will meet with the lenders to discuss the project. The lender will perform a detailed evaluation of project feasibility and credit worthiness of the borrower. In addition, the lender will specify their participation in the project financing, will assist in structuring the loan package, and will prepare a written statement of commitment for the loan review committee describing the amount, interest rate and term of their financing in the project. The commitment may be contingent upon approval by the Economic Development Corporation of the City of Flint of financing in the project. The lender should also describe the amount of revolving loan fund dollars needed

for successful completion of the project in a statement that no contingencies exist for the successful completion of the project other than the receipt of a loan from the Economic Development Corporation.

4. **EQUITY INVESTMENT.**

- a) Provide personal financial statements of the principal(s) in the business not older than 90 days for each person having twenty (20%) percent or greater ownership interest.
- b) Identify those assets of the business and its principals that are already pledged as security in the business and elsewhere, the creditor who holds the collateral, and those assets which are being pledged to the project.
- c) Amount of personal / business funds committed to the project.

5. **FINANCIAL HISTORY FOR EXISTING COMPANIES.** Provide three years of financial history which should consist of at least review quality financial statements (balance sheets and income statements) prepared in accordance with GAAP or other recognized basis of accounting. Copies of the latest three years of tax returns will suffice for new businesses or other small businesses that do not possess financial reports.

6. **FINANCIAL PROJECTIONS.** Three year financial projections must be compiled in accordance with GAAP and include a discussion of all significant assumptions. Furthermore:

- a) There must be monthly cash flow statements for the first year.
- b) Officer's compensation must be separately identified.
- c) A separate schedule of debt service showing principal and interest payments for all debts to be carried must be provided.
- d) The statement should be based on the assumption that the business will receive the requested loan.
- e) Applicant understands that the Economic Development Corporation of the City of Flint may obtain a Dunn and Bradstreet report on the said applicant and will obtain a personal credit report on the said applicant.

7. **BUSINESS PLAN.** Provide a brief and concise typed business plan. The business plan narrative should adequately communicate the company's goals and objectives and provide a basis for evaluating and controlling the company's performance. The applicants must submit evidence of business viability including, but not limited to business experience, capital, credit, employee workforce, business investors, references and a written explanation of how the business benefits/impacts the community as a whole.

8. **FEDERAL/STATE/LOCAL REQUIREMENTS.** All projects financed with fund dollars are subject to all applicable federal, state and local laws and regulations.

ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF FLINT

COMMERCIAL LOAN GUIDELINES

PROGRAM GOALS

1. To create job opportunities in the City of Flint for unemployed and underemployed residents
2. To provide funding assistance for businesses to development and/or expand, thus providing community economic development and job opportunities
3. To provide gap financing – using public funds to leverage private capital through conventional lending sources.

ELIGIBILITY

1. Businesses must be located and remain within the City of Flint limits
2. Business owner's City tax account status must be correct
3. Business owner must not be in default to the City of Flint or County of Genesee as a result of delinquent property taxes, assessments, or outstanding past-due utility bills or is the owner of any real property that is subject to any unremediated citation or violation of the state and local codes and ordinances.

LOAN AMOUNT

1. Minimum of \$5,000 to a maximum of \$35,000

RATE One (1.0%) percent above the United States Treasury Rate found in the Wall Street Journal on the date of closing.

TERMS

1. A specific repayment schedule and terms for each borrower will be contained in the individual loan agreement

COLLATERAL

1. First lien on assets purchased with loan funds or existing unencumbered assets of the business or equivalence, (i.e. personal assets such as stocks, bonds, certificates of deposits, real estate, etc.)
2. Personal guaranty of owner(s)

USE OF FUNDS

1. Building renovation and/or leasehold improvements
2. Equipment purchase
3. Inventory, raw materials, etc.

INELIGIBLE BUSINESSES

1. Night clubs, dance halls, etc.
2. Pawn shops, swap and buy shops, etc.
3. Casinos, gambling houses, etc.
4. Alcohol related businesses
5. Businesses which do not operate in accordance with the First Amendment church/state principles in connection with the provisions of services

APPLICATION DEADLINE

1. Applications will be received until all funding has been disbursed
2. Applicants should refrain from discussing their application with the EDC Board Members
3. Please address questions or information requests to the City of Flint Department of Community of Economic Development at (810) 766-7426

ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF FLINT

COMMERCIAL LOAN APPLICATION

Company Information

Company name _____

Address _____ City _____ State _____ Zip _____

Principal in charge _____ Phone () _____ Fax () _____

Secondary contact person _____ Phone () _____ Fax () _____

Type of business _____ Date established _____

Type of entity (check one): d/b/a Partnership Corporation LLC Federal ID # _____

Company Ownership

Name _____ Title _____ % of Ownership _____

Name _____ Title _____ % of Ownership _____

Name _____ Title _____ % of Ownership _____

Name _____ Title _____ % of Ownership _____

Affiliate Businesses (if applicable)

Name _____ Title _____ % of Ownership _____

Name _____ Title _____ % of Ownership _____

Existing Business Locations

Address _____ Sq Feet _____ Lease Payment \$ _____ / month

Address _____ Sq Feet _____ Lease Payment \$ _____ / month

References

Bank Name _____ Acct no. _____ Acct officer _____ Phone _____

Accountant _____ Firm name _____ Phone _____

Attorney _____ Firm name _____ Phone _____

Trade references _____ Contact Person _____ Phone _____

Nature of Your Business

Nature of your business: _____

Type of products or services (include any catalogs or brochures) _____

Geographic market area _____

List key customers _____

List major competitors _____

Project Information

Street address of project _____

City _____ State _____ Zip _____ County _____

What is the square footage of the new building?

What is the square footage your company will occupy?*

Escrow closing date _____ Realtor's name _____ Phone _____

If known, how will the property be vested (i.e. individually, partnership, LLC, corporation, trust ...) _____

Please provide appropriate document (i.e. Partnership Agreement, LLC documents, Articles of Incorporation, Trust Agreement...)

Total Project Costs

<i>Purchase existing building or Equipment only</i>	<i>Construction Project</i>	
Purchase price \$ _____	Land Acquisition \$ _____	Payoff Bank loan \$ _____
Tenant improvements \$ _____	Construction Bid \$ _____	Other Debt payment \$ _____
Equipment \$ _____	Architects, permits, etc. \$ _____	Inventory Purchase \$ _____
Other \$ _____	Equipment \$ _____	Working Capital \$ _____
	Other \$ _____	All Other \$ _____
TOTAL (A) \$ _____		
	TOTAL (B) \$ _____	
		TOTAL (C) \$ _____

TOTAL of (A + B + C) \$ _____

If there are any tenants that will remain in the building, please provide the following information:

Tenant Name	Square Footage	Lease Expirations	Rent Amount

Employee Questionnaire

Number of current employees _____ Number of employees if loan is approved _____

Key Employees

Employee Name	Title	Responsibilities	Years with Company	Years in Industry

Miscellaneous Questions

PLEASE ANSWER THE FOLLOWING QUESTIONS, AND PROVIDE THE APPROPRIATE INFORMATION

- Do you have any co-signers and/or guarantors for this loan? If so, please submit their names, addresses and personal balance sheets?

If not applicable check here:

- A schedule of any previous government financing by any principals or affiliates:

Name of Agency _____ Original Amount _____

Date of Request _____ Approved _____ Declined _____

The Outstanding Balance _____ Status _____

If not applicable check here:

- Do you buy from, sell to, or use the service of any concern in which someone in your company has a significant financial interest. If so provide details.

If not applicable check here:

- Does your business, its owners or majority stockholders own or have a controlling interest in other businesses, If yes, please provide their names and the relationship with your company along with a current balance sheet and operating statement for each.

If not applicable check here:

- Do you or your spouse or any member of your household, or anyone who owns, manages, or directs your business or their spouses or members of their households work for the Small Business Administration, Economic Development Corporation of the City of Flint, the City of Flint, the Flint Area Enterprise Community, any Federal Agency, or the participating lender? If so, please provide the name and address of the person and the office where employed.

If not applicable check here:

- Have you or any officers of your company ever been involved in bankruptcy or insolvency proceedings? If so, please provide details.

If not applicable check here:

- Are you or your business involved in any pending lawsuits? If yes, provide details.

If not applicable check here:

- Are you buying machinery or equipment with your loan money? If so, you must include a list of the equipment and cost as quoted by the seller and his name and address. (Attach invoices if available).

If not applicable check here:

Description	Make/Model	Seller	Quantity	Cost

Checklist

Business Information	Personal Information
Business Financial statements for last 3 years	Personal tax returns for last 3 years
Interim financial statement dated within last 45 days	Personal resume
Business debt schedule	Personal financial statement
Federal tax returns for last 3 years	
Legal Entity documents	Real Estate Information
Business License & Fictitious Business Name (if dba)	Real Estate Purchase Agreement
Franchise Agreement	Construction cost budget
	Environmental studies/Phase I or II

Authorization to Release Information

I / We hereby authorize the release to the Economic Development Corporation of the City of Flint of any information they may require at any time for any purpose related to my / our credit transaction with them.

I / We further authorize the Economic Development Corporation of the City of Flint to release such information to any entity they deem necessary for any purpose related to my / our credit transaction with them.

I / We hereby certify that the enclosed information, including any attachments or exhibits provided herewithin or at a later date, is valid and correct to the best of my / our knowledge.

Name of applicant: _____

Signature of applicant: _____ Date: _____

Name of applicant: _____

Signature of applicant: _____ Date: _____