

Crawford County Revolving Loan Fund

Funded in part by the Indiana Department of Commerce, Neighborhood Assistance Program; the U.S. Department of Commerce, Economic Development Administration; and the U.S. Department of Agriculture, Rural Development

Program Intent

The Crawford County Revolving Loan Fund (RLF) exists to help entrepreneurs start, expand, or retain businesses in Crawford County. RLF loan recipients are expected to increase the investment and disposable revenue in the county and further enhance possibilities for related industry and job opportunities. All RLF loan recipients are required to produce or retain at least one job for each \$10,000 to \$20,000 of RLF investment.

The Crawford County RLF usually provides only the "gap" financing needed to induce local financial institutions to complete a financing package. RLF clients must contribute at least 10% equity, and working capital loans are limited to 50% of the total project cost. RLF financing is in the form of a direct loan to an individual or business at variable rates. Terms can be flexible if proven necessary by the business plan. Blended interest rates and adjustable terms are designed to assist businesses achieve success with projects that may not have been possible under conventional lending practices.

Eligibility

Eligible applicants for financial assistance from the RLF include businesses that are for-profit and owned by any person, partnership, cooperative, or corporation engaged in production, manufacturing, or providing services. Business operations must exist or be locating within the geographic boundaries of Crawford County, Indiana. All jobs created must pay at or above the county's average wage.

Collateral & Security

The RLF can provide up to 90 percent of the total project cost. The principals or applicant must furnish at least 10% as equity. The actual equity required will depend on the type of loan and other information provided by the applicant. Each loan must be secured by appropriate collateral. This collateral may take the form of mortgages, liens, personal guarantees, or a combination of these. The RLF also requires proof of insurance on the collateral pledged. In the case of closely held corporations or sole proprietorships dependent on continued success of certain individuals, the RLF may also require life insurance on key personnel.

Loan Types

The RLF has available three basic loan types. First, the RLF can offer fixed asset loans for expansion of existing operations within the county. The second type can be working capital loans for business that need short-term assistance to complete an expansion program. The third is for venture capital. Venture capital loans can be made for a portion of the start-up cost for new businesses that are unable to obtain funding from conventional sources.

Responsibilities of the Borrower

A business plan containing information about the management of the company including an analysis of the market, internal and external financing options, and financial projections must be part of the information provided by the applicant. The specific purpose of the funds requested as well as how the funds will contribute to the success of the business, should also be included. Reliable financial statements are crucial in the decision making process for a lender or investor. An existing business will be required to supply at least three years of financial history. New startup business must present a dynamic business plan and proof of the credit worthiness of the borrower.

The borrower will bear the cost of all accounting services, appraisals, surveys, and legal counsel associated with the preparation and filing of the application. The borrower will be charged a loan origination fee of \$100 due at the time the application is made. An application processing fee of \$250 will be due at the time of the loan closing along with a loan servicing fee equal to 1% of the RLF loan amount. During the term of the loan, a borrower is prohibited from relocating the business outside the geographical boundaries of Crawford County. The loan agreement will give the Loan Review Committee the right to call the loan should the borrower move the business from Crawford County.

Loan recipients will have periodic reporting requirements to the loan administrator. Financial statements will be requested on a regular basis during the life of the loan to monitor the financial stability of the business.

Business Plan

A business plan is a company's best marketing tool when seeking investors for a new enterprise or expansion of an existing business. Financial institutions as well as the Revolving Loan Fund want to be assured that a prospective loan recipient has carefully thought about the proposed business venture. RLF loan applicants are expected to present a well-prepared business plan and include enough data to sell the proposed project to potential investors.

A business plan should include the following:

- A cover sheet with the name and address of the business as well as the principal's name and telephone number.
- An executive summary that is a concise statement of the current status of the business and expected benefits of the investment.
- A broader description of the business with product or service description, marketing and sales strategies, management and ownership makeup, and key staff members.
- Financial data including the total funding requested, its proposed use, a list of the capital equipment and assets, and financial reports and projections.

Assistance may be available in plan preparation.

For More Information

The development of the Revolving Loan Fund is a continuation of the efforts of County Officials and the Economic Development Commission. For additional information, please contact the Crawford County Economic Development Commission at (812) 739-2248.

Or visit us on the Web at SelectCrawfordCounty.com.

**Crawford County Revolving Loan Fund
Loan Application**

Application Date: _____ CCRLF/LRC Review Date: _____
 Name of Business _____
 Business Address _____
 City, State, Zip _____ Phone: _____
 Contact Person _____ Phone: _____
 Type of Enterprise: (check all that apply)
 Manufacturing _____ Industrial _____ Service _____ Retail _____
 Other (explain) _____ Sole Proprietorship _____ Partnership _____ Corporation _____
 Date Established: _____ SIC Code: _____
 Name of Owner #1 _____ #2 _____
 Percentage Owned #1 _____ #2 _____
 Home Address #1 _____ #2 _____
 City State, Zip #1 _____ #2 _____
 Home Phone #1 _____ #2 _____
 Working Partner #1 _____ #2 _____

PROFESSIONAL SERVICE REFERENCE:

Name of Bank _____
 Address _____ Phone: _____
 Name of Accountant _____
 Address _____ Phone: _____
 Name of Attorney _____
 Address _____ Phone: _____

PROJECT SUMMARY:

RLF Financing \$ _____ BANK \$ _____ EQUITY \$ _____
 TOTAL PROJECT FINANCING \$ _____

SOURCE (Proposed) OF FUNDS:

	<u>RLF Financing</u>	<u>Bank Financing</u>	<u>Equity</u>	<u>TOTAL</u>
Financing Amount:				
Loan Term (Year)	_____	_____	_____	_____
Loan Interest Rate	_____	_____	_____	_____
Annual Debt Service	_____	_____	_____	_____
Type of Collateral	_____	_____	_____	_____
Security Position	_____	_____	_____	_____
Type of Guarantee	_____	_____	_____	_____
Other Notations	_____	_____	_____	_____

USE OF FUNDS:

	<u>RLF Financing</u>	<u>Bank Financing</u>	<u>Equity</u>
Land Acquisition	_____	_____	_____
Acquisition of Building	_____	_____	_____
Improve/Renovate Building	_____	_____	_____
Purchase Equipment/Machinery	_____	_____	_____
Inventory	_____	_____	_____
Working Capital	_____	_____	_____
Fund(s) TOTALS:	_____	_____	_____
TOTAL OF PROJECT FUNDING \$	_____		

Rate and Terms of Proposed Repayment Requested:

RLF Financing: _____

Bank Financing: _____

Other: _____

Proposed Schedule of Construction (Project Timetable): Estimated Starting Date: _____

Estimated date to begin operation: _____

Estimated date proceeds of RLF will be needed: _____

Does project require permits? Local _____ State _____ Federal _____ (Yes or No)

Please list any permits and/or agencies for which permit has been applied: _____

Estimated dates permits will be obtained: _____

CURRENT AND PROJECTED EMPLOYMENT:

Type of Employment **Existing Jobs** **Future Projections**
Note: To the maximum extent possible, the applicant will utilize the employment or labor use of low-income persons.

Type of Employment	Year One		Year Two			
	FT	PT	FT	PT	FT	PT
Full or Part Time Employees						
Professional/Managerial/Technical	_____	_____	_____	_____	_____	_____
Skilled	_____	_____	_____	_____	_____	_____
Unskilled/Semi-Skilled	_____	_____	_____	_____	_____	_____
TOTALS	_____	_____	_____	_____	_____	_____

REQUIRED ATTACHMENTS:

- _____ Business Plan
- _____ Signed Personal Financial Statements for any person owning at least 20% of the business
- _____ Last three years of Federal Tax Returns for the business if it does not have audited business statements.
- _____ Insurance on key personnel if a sole proprietorship or limited partnership.
- _____ Information which may further secure the loan.
- _____ Information concerning any pending or threatened litigation, judgements or injunctions.
- _____ Certification of business compliance with all state laws affecting the conduct of business within the state.
- _____ Documentation that the project could not proceed without RLF financing.
- _____ Documentation as to the source of equity.
- _____ Documentation as to how the project will benefit the community and impacts the mission of the RLF.
- _____ Commitment letter from bank participating in the project.
- _____ Copy of commitment letter from bank regarding line of credit for working capital.
- _____ Copy of secured permits if applicable
- _____ IF APPLICABLE Borrower to submit environmental information which meets all federal and state guidelines including USDA form FmHA 1940-20 (enclosed) "Request for Environmental Information and an accompanying site map

The following information is requested by the Federal Government for certain types of loans, in order to monitor the lender's compliance with equal credit opportunity. You are not required to furnish this information, but are encouraged to do so. The law requires that a lender may neither discriminate on the basis of this information nor on whether you choose to furnish it. However, if you choose not to furnish it, under Federal regulations, this lender is required to note race/ethnicity on the basis of visual observation or surname. If you do not wish to furnish the above information, please check the box below.

_____ I do not wish to furnish this information.

Race/National Origin: American Indian or Alaska Native (not Alaskan) _____ Asian _____
Black or African American _____ Hispanic or Latino _____ Native Hawaiian or Other Pacific Islander _____
White _____ Other (Specify) _____

This institution is an equal opportunity provider.

SIGNATURES:

I declare that any statement in this application and in its required attachments or information provided herein, is true and complete in substance and in fact. Further, I hereby authorize any financial institutions in which the loan applicant and any guarantor thereof has any loans to provide any and all financial information of the loan applicant and/or any guarantor thereof requested by the Crawford County Revolving Loan Fund Board and this authorization constitutes a waiver of any and all laws and regulations concerning any privacy and applicant and guarantor also indemnifies and holds harmless said financial institutions for the release of any such information pursuant to this section of the loan application. This information will be secured for the purpose of determining the applicant's eligibility, RLF standards conformance and financial soundness of the applicant.

Name of Business: _____

By: _____ Date: _____

Typed Name and Title: _____

Attested By: _____ Date: _____

Typed Name and Title: _____

FEE CHARGE: A loan origination fee of \$100 will be due at the time the loan application is made. A loan-closing fee will be charged at the time of the loan closing with a minimum of charge of \$250 not to exceed \$500.