



## *Small Business Loan Fund*

**Application Package**

# **Develop New Albany Inc Small Business Loan Fund**

## **Criteria**

### **Introduction**

**Small business owners face many challenges in obtaining short term micro-financing. Develop New Albany Inc. is committed to assist business with their development and growth through a short term loan program. This program is funded by designated funding set aside by Develop New Albany Inc. Develop New Albany Inc. has delegated the client qualification process to the Indiana Small Business Development Center (ISBDC) and the administrative responsibility to One Southern Indiana. Develop New Albany Inc. has formed a loan review committee to be responsible for reviewing the loan applications, review of requested information, and will make the funding decisions.**

### **Eligible Businesses**

**The fund is targeted to businesses located within Develop New Albany Inc.'s designated service area as noted in corporation by-laws. This area is commonly known as Downtown, Midtown, and Uptown New Albany.**

### **Funding Criteria**

#### **Business Criteria:**

- 1. All businesses must be located within the Develop New Albany Inc. service area.**
- 2. All business applicants must be in business no less than two years or have at least two years of applicable business experience.**
- 3. All business applicants must be current with all tax liability payments and no outstanding judgments.**

## **Develop New Albany Inc Small Business Loan Fund**

### **Loan Criteria:**

- 1. Loan Size – Maximum loan size is \$5000. All loans are at the discretion of the loan committee.**
- 2. Terms - Up to 5 years**
- 3. Interest Rates – fixed at the current prime lending rate with a minimum rate of 3%**
- 4. Repayment – Borrower will make monthly payments starting on the 1<sup>st</sup> of the following month. Interest will be paid current to the 1<sup>st</sup> of the month immediately after closing. Payments will continue on the 1<sup>st</sup> of each month thereafter until the term of the loan has been completely satisfied or payoff has occurred. All payments will be made via an ACH automatic transfer from the borrower's banking account. Prepayment penalties do not apply.**
- 5. Equity – Preference may be given to the borrower that provides greater capital contribution to their project.**
- 6. Delinquency/Default - A loan becomes delinquent when payments are not made on time. Payments are considered delinquent at 31 days and this loan is subject to late fees. Default is when nonpayment or late payment of loan installments or failure to meet the terms and conditions of a loan occurs. Develop New Albany Inc. is entitled to all legal means necessary for debt recovery.**
- 7. Exceptions – Develop New Albany Inc. has the right to make an exception based on proper mitigation.**

### **Loan Application:**

**A loan application for the Small Business Loan Fund may be obtained from One Southern Indiana website and by contacting the ISBDC direct. The ISBDC will assist in preparing a loan package for the Develop New Albany loan review committee. Personal guarantees will be required from the Principals and Owners of the company. Applications are reviewed bi-monthly or as necessary. Any and all title searches, lien records, security records, and loan closing costs will be paid by the borrower. Once the loan has passed the initial review and fits the criteria for the program a non-refundable \$50 fee is required to cover the administrative expenses for servicing the loan.**

## **Develop New Albany Inc Small Business Loan Fund**

### **Loan Review and Approval Procedure:**

**Develop New Albany Small Business Loan Fund through One Southern Indiana will make every effort to adhere to the guidelines described herein. However, each individual loan may present special circumstances that require some deviation from the guidelines.**

#### **Step 1:**

**Each loan application is submitted to the ISBDC. The ISBDC and ISi will initially review the packet to determine if it satisfies the objectives and criteria of Develop New Albany Inc. Small Business Loan Program. The \$50 processing fee will be paid by the borrower once it is determined the application will move on to the formal review committee.**

#### **Step 2:**

**If the program objectives and criteria are satisfied, and available funds exist for funding the loan, the loan committee will review the loan application in its entirety at their next scheduled bi-monthly meeting. The loan committee will notify the applicant as to their determination by mail and when requested by e-mail.**

#### **Step 3:**

**If the loan committee approves the loan, the committee will issue to the borrower a formal commitment letter, informing the borrower of the terms and conditions of the loan. The borrower will be required to sign and return the commitment letter within ten (10) days.**

**Develop New Albany Inc  
Small Business Loan Fund**

**LOAN APPLICATION**

Name of Business: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Telephone: \_\_\_\_\_

Loan Amount Being Requested: \$ \_\_\_\_\_

Type of Business: \_\_\_\_\_ Sole Proprietorship: \_\_\_\_\_ Partnership: \_\_\_\_\_ LLC: \_\_\_\_\_ Corporation: \_\_\_\_\_

State and Date Established: \_\_\_\_\_ SIC Code: \_\_\_\_\_

Employer's Federal Identification Number: \_\_\_\_\_

Employer's State Identification Number: \_\_\_\_\_

**Name of Owner #1:**

\_\_\_\_\_

Percentage Owned: \_\_\_\_\_%

\_\_\_\_\_

Home Street Address

\_\_\_\_\_

City, State, Zip

\_\_\_\_\_

Home Telephone

\_\_\_\_\_

Married or Single

**Name of Owner #3:**

\_\_\_\_\_

Percentage Owned: \_\_\_\_\_%

\_\_\_\_\_

Home Street Address

\_\_\_\_\_

City, State, Zip

\_\_\_\_\_

Home Telephone

\_\_\_\_\_

Married or Single

**Name of Owner #2:**

\_\_\_\_\_

Percentage Owned: \_\_\_\_\_%

\_\_\_\_\_

Home Street Address

\_\_\_\_\_

City, State, Zip

\_\_\_\_\_

Home Telephone

\_\_\_\_\_

Married or Single

**Name of Owner #4:**

\_\_\_\_\_

Percentage Owned: \_\_\_\_\_%

\_\_\_\_\_

Home Street Address

\_\_\_\_\_

City, State, Zip

\_\_\_\_\_

Home Telephone

\_\_\_\_\_

Married or Single

**Develop New Albany Inc  
Small Business Loan Fund**

**LOAN APPLICATION  
(continued)**

Professional Services/References:

**Name of Bank:** \_\_\_\_\_

Bank Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Telephone: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Account #: \_\_\_\_\_

**Name of Attorney:** \_\_\_\_\_

Attorney Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Telephone: \_\_\_\_\_

**Name of Accountant:** \_\_\_\_\_

Accountant Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Telephone: \_\_\_\_\_

**Develop New Albany Inc  
Small Business Loan Fund**

**Loan Application**

**Required Attachments:**

- A. A brief (one page or less) narrative of the business history
- B. Project description including sources of funding for the project
- C. Commitment letter from your bank regarding any financing the bank will provide for this project.
- D. Business financial information for the past two years (if applicable). For example, Balance Sheets, Operating Statements, etc.
- E. Projected revenue and expenses
- F. Signed personal financial statements that are not more than a year old. Copies of prior two years of personal Federal Tax Returns for any person(s) who owns interest in the business.
- G. Federal tax returns, corporate and personal if separate, filed by the business for the previous two years (if applicable)
- H. Statement concerning how the project will benefit Floyd County

**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. I declare that I am a legal resident or U. S. Citizen with the authority to conduct business in the State of Indiana.

Name of Business: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Attest: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

**Develop New Albany Inc  
Small Business Loan Fund**

**Creditworthiness**

The applicant must not be in arrears or default on any of the following obligations:

- (1) *Real property taxes;*
- (2) *Mortgage payments;*
- (3) *Federal and state tax obligations, including the timely filing of all tax returns;*
- (4) *Other debts including any past or existing Revolving Loan Fund;*
- (5) *Revolving credit loans and related obligations; and*
- (6) *Unsatisfied judgments or other claims which would interfere with The Fund's rights in the collateral.*

Noncompliance with any of the above will be considered an appropriate reason for loan refusal. The applicant will have the opportunity to correct or explain any of the above problems.

Applicants Name \_\_\_\_\_

Applicants Signature \_\_\_\_\_

Date \_\_\_\_\_



**Develop New Albany Inc  
Small Business Loan Fund**

**Credit Check**

In connection with the business loan application of:

---

Develop New Albany, Inc. is requesting the following information from you in order for us to obtain current credit information from one of more commercial and/or personal credit reporting institutions.

Your Full Name: \_\_\_\_\_

Your Spouse's Name: \_\_\_\_\_

Present Address: \_\_\_\_\_

Number Street

City State Zip

Former Address: \_\_\_\_\_

Number Street

City State Zip

Social Security No: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Spouse's SSN: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

**I authorize the Develop New Albany, Inc. to use the above information to obtain current credit report(s) as required in connection with the above-mentioned business loan application.**

Your Signature: \_\_\_\_\_

Spouse's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Develop New Albany Inc  
Small Business Loan Fund**

**Authorization to Release Information**

In connection with the business loan application of:

---

Develop New Albany, Inc. is requesting the following information from you in order for us to obtain information from your Accountant, Attorney, and Banker (as identified on your loan application) as needed in the processing of the submitted loan application.

Your Full Name: \_\_\_\_\_

Your Spouse's Name: \_\_\_\_\_  
(If Applicable)

Present Address: \_\_\_\_\_  
Number Street

City State Zip

Former Address: \_\_\_\_\_  
Number Street

City State Zip

Social Security No: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

**I authorize Develop New Albany, Inc. to use the above information to obtain information as required in connection with the above-mentioned business loan application.**

Your Signature: \_\_\_\_\_

Spouse's Signature: \_\_\_\_\_  
(If Applicable)

Date: \_\_\_\_\_

**Develop New Albany Inc  
Small Business Loan Fund**

**Yearly Loan Reporting**

In connection with the business loan to:

---

Develop New Albany, Inc. is requesting the following financial information including, but not limited to, financial statements, tax returns, progress reports on the project, and number of employees with breakdown, must be submitted to Develop New Albany no later than ninety (90) days after fiscal year end for each year the loan is outstanding.

---

Signature of Authorized Representative of Borrower

---

Printed Name

---

Title