

Vermont Community Loan Fund Business Loan Application

Who is eligible to apply:

- ❖ Legal businesses operating in Vermont.
- ❖ A project that will support sustainable local economies that builds on the resources of communities (e.g. net capital importer, uses local resources/ suppliers, multiplier effect).
- ❖ Business activity that will help conserve Vermont's working landscape and/or natural resources or continue and expand economically viable uses of Vermont's natural resources.
- ❖ A business that will increase economic opportunities for lower-income and/or disenfranchised Vermonters by creating or saving jobs that pay a livable wage and foster workplace quality in the workplace.

What the funds may be used for:

- ❖ Real estate mortgages
- ❖ Working capital term loan
- ❖ Purchase order financing
- ❖ Subordinated debt
- ❖ Fixed asset financing
- ❖ Line of credit
- ❖ Restructured debt

Maximum loan amount:

- ❖ Current maximum will not exceed \$350,000.

Interest rate and terms:

- ❖ Interest rates are based on current bank rates plus 1-2%.
- ❖ Terms range from several months up to 20 years, typically fully amortized.
- ❖ Flexibility in term, rate, and repayment schedule is project specific and based on project need and strength of proposal.

Collateral:

- ❖ Collateral is required on fixed assets, inventory and receivables. VCLF may also require security in the form of personal guarantees, collateral on personal assets, or a co-signer.

Fees:

- ❖ Application fee of \$50.00.
- ❖ Origination fee of 1.00% of the loan amount, due at closing.
- ❖ Loan documentation fee of \$125.00, due at closing.
- ❖ Expenses incurred for recordation of collateral documentation and anticipated discharges of such documentation, due at closing.

How to apply:

- ❖ Contact Dan Winslow, Loan Coordinator, Business Programs at VCLF (802-224-9144).
- ❖ Materials required for consideration of loan application
 - Completed loan application forms
 - Completed business plan (see attached checklist)
 - Personal tax returns for the three most recent years
 - Business tax returns for the three most recent years
 - Three years historical financial statements (Income Statements and Balance Sheets)
 - Current Balance Sheet, Profit & Loss, Aging of Accounts Receivable and Accounts Payable
 - Twelve month projected income and cash flow statements
 - Application fee of \$50.00

Business Plan Checklist

Instructions

The business plan will help us know your business, where your business is headed and why you need additional financing. Please follow the checklist below to make sure your business plan is complete. Applications will not be reviewed until they are complete. Also, make sure that your business name is written on any supporting documents.

Business Plan Narrative

The listing below describes the usual topics included in a plan. Not all of the topics may be relevant or equally important to your business. You should decide what to emphasize and how to order the topics so that we can best understand your business. For each topic, we have included questions we expect to be answered when we review your plan.

___ **Financing Request**

What is the intended use of your request? What is the expected effect of this loan? How do you expect to repay the loan? What do you plan to offer as collateral and how did you value it?

___ **Description of Business**

Under what form of ownership has the business been established? What is the nature of the business? How long have you been in business?

___ **Description of Product or Service**

___ **Production and Pricing**

Are there any challenges to producing your product or services? Are there any critical seasonal, expense, or cost factors in the business? Who are your suppliers? What are your suppliers' strength and weaknesses?

___ **Market**

Who buys from you and why? What is the size of the market? Who are your largest customers? What percentage of your sales do they represent? Are there geographic concerns or restraints? How do you reach your customers? What are the historical trends? Is the market vulnerable to product changes? Obsolescence?

___ **Competition Analysis**

What is your market share? Who else provides your product or service? How do you differentiate yourself? If you are the only provider, where could new competition come from? How do your products or services compare with others in terms of price? Quality?

___ **Management Team**

Provide a list of the principals and / or managers responsible for the business activity. Provide a brief description of the experience, education, technical and business background of each; indicate their areas of responsibility within your company. Also, indicate any other resources from which the business may draw. Will revenues be generated in part through past associations? Include a copy of your resume along with others who are vital to the continued success of the business.

___ **Areas of Concern**

Identify risks and potential problems. Discuss the biggest obstacles to accomplishing your plan - What is your strategy to minimize these risks? Explain how the debt would be repaid in the event of business failure.

BUSINESS INFORMATION

Business Name: _____

Business Address: _____ City: _____ State: _____ Zip: _____

Mailing Address: _____ City: _____ State: _____ Zip: _____

Business Phone: _____ Business Fax: _____

Email: _____ Website: _____

Business Legal Structure: Sole Proprietorship Partnership Corporation
 LLC Non-Profit Other: _____

Tax ID Number: _____ Type of Business: _____

DUNS # _____ NAICS Code: _____ Date Established: _____

Number of Current Employees: Full Time _____ Part Time _____

Estimated Number of New Employees As a Result of this Project: _____

How do/will you keep financial records? Manual Computer Program: _____
 Accountant Bookkeeper Self/Spouse

OWNER(S) INFORMATION

Owner Name: _____ Title: _____

Address: _____ City: _____ State: _____ Zip: _____

Phone Number: _____

Percent of Ownership: _____ Date of Birth: _____ Social Security Number: _____

Owner Name: _____ Title: _____

Address: _____ City: _____ State: _____ Zip: _____

Phone Number: _____

Percent of Ownership: _____ Date of Birth: _____ Social Security Number: _____

Please attach additional pages with the above information on any other owners or guarantors.

LOAN REQUEST

Loan Amount: _____ Term: _____ Years

Term Loan Line of Credit

Date Loan Is Needed: _____

Purpose of Loan: _____

PROPOSED USE OF FUNDS

Real Estate Acquisition:	Inventory:
Construction:	Equipment:
Improvements:	Marketing:
Business Purchase:	Operating Expenses:
Other:	
Total Requested:	

****Attach a separate detailed description of the full project and of each proposed source and use of funds. Further documentation may be requested by VCLF.**

Have you sought funding for this project from a bank or another financial institution? If yes, what were the results?

How much of your own funds have you/will you invest into this project?

COLLATERAL AVAILABLE FOR LOAN

Business Assets	Value	Personal Assets	Value

****Further detailed collateral information may be requested by VCLF.**

MISCELLANEOUS INFORMATION

Have you ever filed for bankruptcy protection?

- No Yes (If yes, please explain.)

Are you or your business involved in any lawsuits or legal actions?

- No Yes (If yes, please explain.)

Are you delinquent on any federal debt? (Including student loans, guarantees, income taxes, sales taxes and payroll taxes)

- No Yes (If yes, please explain.)

Is the business at least 51% owned by US citizens or resident aliens legally permitted to reside in the United States?

- Yes No (If no, please explain.)

OPTIONAL (Statistical Purposes Only) Circle from each category regarding majority business owner:

<u>Gender:</u>	<u>Race:</u>	<u>Ethnicity:</u>	<u>Veteran Status:</u>
Male	Black or African American	Hispanic or Latino	Veteran
Female	Asian	Not Hispanic or Latino	Non-Veteran
	American Indian/Alaskan Native		
	Native Hawaiian		
	Pacific Islander or Other		
	White		

Signatures/ Acknowledgment

By signing below, you agree to the following:

1. All information provided is true and complete; there are no undisclosed financial or legal liabilities (either personal or business); there is no undisclosed litigation, either personal or business, current or pending, involving any of the parties to this transaction.
2. VCLF is authorized to verify all information presented in this application and relating to this loan request.
3. VCLF is authorized to collect information relating to the owner and/or guarantors from time to time, including but not limited to, credit reports.
4. You are authorized to apply for this loan on behalf of the business.
5. All supporting documentation relating to this application remains the property of VCLF and will not be returned to the applicant.
6. All information provided will be kept confidential by VCLF. If a loan is approved, VCLF is authorized to use information about this loan for its public relations and fundraising purposes.

Signed Name

Title

Printed Name

Date

Signed Name

Title

Printed Name

Date

Please remit with a \$50.00 application fee.

Personal Financial Statement as of _____, 20__

Complete this form if you are: (1) the proprietor or a sole proprietorship, (2) an owner, partner, officer, or stockholder with 10% or more ownership in the applying business or (3) a person providing a guaranty on this loan.

This form helps us understand your personal financial condition. Because you will be asked to personally guarantee this loan, VCLF needs to review your assets, liabilities, and ability to handle additional debt.

Name(s): _____

Address: _____ City: _____ State: _____ Zip: _____

This is an: **Individual Financial Statement** **Joint Financial Statement**

Assets	(omit cents)	Liabilities	(omit cents)
Checking Accounts	\$	Accounts Payable	\$
Savings Accounts	\$	Notes Payable to Banks or Others (Describe in Section 4)	\$
IRA/Other Retirement Accounts	\$	Credit Cards (Describe in Section 4)	\$
Stocks and Bonds (Describe in Section 2)	\$	Student Loans (Describe in Section 4)	\$
Life Insurance – cash surrender value only (Describe in Section 2)	\$	Automobile Loans (Describe in Section 4)	\$
Real Estate (Describe in Section 3)	\$	Other Installment Debt (Describe in Section 4)	\$
Automobiles	\$	Mortgages on Real Estate (Describe in Section 3)	\$
Other Personal Property (Describe in Section 5)	\$	Unpaid Taxes (Describe in Section 6)	\$
Other Assets (Describe in Section 5)	\$	Other Liabilities (Describe in Section 6)	\$
Total Assets		Total Liabilities	\$
		Net Worth	
		Total Assets minus Total Liabilities	\$

Section 1.	Source of Income		Contingent Liabilities
Salary or wages	\$	As guarantor or co-maker	\$
Spouse salary or wages	\$	Legal claims and judgments	\$
Net investment income	\$	Provision for federal taxes	\$
Real estate income	\$	Other special debt	\$
Other income (describe below)	\$		

Description of Other Income in Section 1. (Alimony or child support payments need not be disclosed in other income unless it is desired to have payments counted toward total income)

Section 2. Life Insurance and Stocks and Bonds (Use additional sheets if necessary) Life Insurance: List face amount of policies. Stocks and Bonds: List number of shares, names of securities, market value, date of quotation and total value

Section 3. Real Estate Owned (Use additional sheets if necessary)		
	Property A	Property B
Property Address and type		
Owner(s)		
Date Purchased		
Original Cost		
Present Market Value (How valued year appraised/tax assessed)		
Mortgage Holder		
Mortgage Balance		
Amount and Frequency of Payment		
Status of Mortgage		
2 nd Mortgage Holder		
2 nd Mortgage Balance		
Amount of Payment		
Frequency of Payments		
Status of 2 nd Mortgage		

Section 4. Notes Payable to Banks, Credit Card Companies and Others (Use additional sheets if necessary)				
Noteholder Name	Original Balance	Current Balance	Payment Amount and Frequency	How Secured

Section 5. Other Personal Property and Other Assets (Describe in detail)									

Section 6. Unpaid Taxes and Other Liabilities (Describe in detail)									

Are you involved in any litigation? _____
 Are you a guarantor on any loans? _____
 Have you ever taken bankruptcy? _____

If yes to any of the above questions explain in detail on a separate piece of paper.

No principal who owns at least 50% of the ownership or voting interest of the company is delinquent more than 60 days under the terms of any (1) administrative order, (2) court order, or (3) repayment agreement requiring payment of child support.

No principal of the company has been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act, 42 U.S.C. §16911).

The undersigned certifies that the above facts are true and accurate statements of financial condition and further agrees to advise VCLF immediately if there is a material change in financial condition. I agree that this application shall remain VCLF's property whether or not the loan is granted. I further authorize VCLF to make any verification of the above information you deem necessary in order to obtain this loan.

Signature _____ Social Security # _____ Date _____

Signature _____ Social Security # _____ Date _____

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the legal capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is: Federal Trade Commission, Equal Credit.

Trade References

Please provide us with names, addresses and phone numbers of three references that can vouch for your character and creditworthiness. These may be business, personal or employment-related.

Name _____

Address _____

City _____ **State** _____ **Zip** _____

Work Phone () _____

Home Phone () _____

Relationship _____

Name _____

Address _____

City _____ **State** _____ **Zip** _____

Work Phone () _____

Home Phone () _____

Relationship _____

Name _____

Address _____

City _____ **State** _____ **Zip** _____

Work Phone () _____

Home Phone () _____

Relationship _____