

Mt. Washington Valley Economic Council

Loan Application

REVOLVING LOAN FUND

Applicant Name: _____ Telephone: _____

Business Address: _____

City: _____ ST: _____ ZIP: _____

Type of Business: _____

# of Employees	Now:	Projected:
Full time(35 hours or more)	_____	_____
Part time	_____	_____

Date Established: _____

IRS ID#: _____ Soc. Sec. # _____

Officers/Owners - Title and % ownership:

Amount of Loan Request: _____ Terms: _____

Describe Briefly reason for loan request: _____

Project Costs:

Working Capital: _____

Inventory: _____

Machinery & Equipment: _____

Building Improvements: _____

Land Acquisition: _____

Debt Repayments: _____

Other: _____

I understand that the Mt. Washington Valley Economic Council is authorized to check my/our credit history.

Signed: _____ Date: _____

**Mount Washington Valley Economic Council, INC (MWVEC)
LOAN APPLICANT CERTIFICATION & ECO NOTICE**

LOAN APPLICANTS (individual(s), public or private organizations, or other legal entities) **MUST CERTIFY THE FOLLOWING:**

- **has the authority to incur the debt and carry out the purpose of the loan,**
- **are citizens of the United States or reside in the United States after being legally admitted for permanent residence. In the case of an organization, at least 51 percent of the outstanding membership or ownership must be either citizens of the United States or residents of the United States after being legally admitted for permanent residence,**
- **are located in a rural area of a State (Town with a population of less than 25,000),**
- **are unable to finance the proposed project from its own resources or through commercial credit or other Federal, State, or local programs at reasonable rates and terms,**
- **along with its principal officers (including their immediate family) hold no legal or financial interest or influence in MWVEC. Also, MWVEC and its principal officers (including immediate family) hold no legal or financial interest or influence in the Loan Applicant.**
- **do not have any delinquent debt to the Federal Government. If delinquent, are not eligible to receive a loan from MWVEC's IRP loan funds. IRP loan funds may not be used to satisfy the delinquency.**

LOAN APPLICANT HEREBY CERTIFIES all Items listed above.

BUSINESS APPLICANT (please print) _____

Name of Authorized Signer (print) _____

Authorized Signature _____ **Date:** _____

Name of Authorized Signer (print) _____

Authorized Signature _____ **Date:** _____

Name of Authorized Signer (print) _____

Authorized Signature _____ **Date:** _____

EQUAL CREDIT OPPORTUNITY NOTICE

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, age (provided that the applicant has the capacity to enter into a binding contract); and because all or parts of the applicant's income is derived from any public assistance program; or because the applicant has in good faith, exercised any rights under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this credit is the Federal Trade Commission. If a person believes he or she was denied assistance in violation of this law, they should contact the Federal Trade Commission, Washington, DC 20580.

A. Goals, Objectives & Purpose

The recreation, tourism, and retail sectors provide the Mt. Washington Valley with an excellent employment base. In order to strengthen and stabilize employment opportunities in the Mt. Washington Valley area through a diversified economic base, the RLF is designed to

create and maintain jobs through limited initial financing up to five (5) years. The primary objective will be to assist those companies and businesses which can either retain or expand the employment base.

B. Eligible Activities

Generally, assistance from the RLF can be used for the following, including but not limited to activities related to manufacturing, processing, distribution, mail-order, retail, agricultural operations, service trades, and the wholesaling of Valley-made or assembled products; establishment of new businesses, expansion of an existing business, business acquisitions, construction, purchase/development of real estate (specifically excluding real estate speculation), purchase/improve machinery, and working capital.

C. Loan Selection Criteria

The primary emphasis will be on the following criteria: Job retention and/or job creation, job enhancement, leverage of additional financial resources, demonstration of repayment ability, utilization of job training programs, compatibility of proposed businesses with the overall MWV environment and quality of life. A Loan Review Committee (LRC) consisting of 13 individuals, no more than three of which may be from any one town (Bank representatives are excluded from this criteria), appointed by the Board of Directors with appropriate lending, financial, manufacturing, retail, and service trades criteria and, by majority vote of those voting, recommend to the Board of Directors to accept or reject the application. (amended from 11 to 13 May 23, 2001)

D. Policy Guidelines for the Revolving Loan Fund

1. The prospective borrower and his/her/its business shall be located in one of the following municipalities: Albany, Bartlett, Chatham, Conway, Eaton, Freedom, Hales' Location, Jackson, Madison, Ossipee, Tamworth, and Brownfield and Fryeburg, Maine.

2. It is the intent of the RLF to leverage additional private or public financing, and that the RLF constitute a portion of the entire package. However, this does not foreclose the RLF as the sole lender. All other public or private funds used as leverage in the project shall be fully identified, including the sources, amounts, rates and terms of the additional financing, prospective or committed. Other sources of leveraged funds include, but are not limited to, bank financing, equity investment, the NH Business Finance Authority, NH Business Development Corporation, North Country Investment Corporation, Community Development Block Grant program funds, and venture capital sources.

3. The RLF shall require that each applicant contribute an equity injection for each new business application for which he/she seeks funding.

4. The RLF can be used for real estate acquisition and development (excluding speculation), plant and equipment, reuse of an abandoned building, modernization of a plant and equipment, working capital and additional start up capital for new firms.

5. The target minimum loan size will be \$5,000.

6. The initial term of the loan can range up to five (5) years at a variable or fixed

rate of interest with amortization up to 20 years, if appropriate. The rate of interest charge by the RLF will reflect the need to have a satisfactory rate of return based on current market rate condition at that time.

7. The RLF may utilize financing techniques such as moratorium on principal payments, subordination of its position, balloon payments, etc. in order to address the needs of a particular borrower.

8. The LRC will consider sufficient collateral based on the overall risk characteristics of the loan, and the available assets of the prospective borrower.

9. During the first three (3) years, (1997-1999), one hundred percent (100%) of all interest payments, any fees including late payment charges up to 5% for payments received 15 days past the due date, and profits earned from the sale of loans will be retained by the Mt. Washington Valley Economic Council towards administrative expense and overhead. After the year 1999, this will change to 50% retained for administration and 50% remain with the Revolving Loan Fund. The borrower will pay all costs associated with booking the loan, including all reasonable attorney's fee.

10. While the board recognizes that it may be in the best interest of the Community and the Revolving Loan Fund (RLF) Program to extend or renew loans from time to time, it is fully the intent of the board to keep such extensions and /or renewals to a minimum and, instead, to maximize the benefit of the RLF concept.

E. Assistance

Applicants are encouraged to seek technical assistance in the areas of business planning, marketing, and related management activities is available through the NH Small Business Development Center, the local Chapter of the Service Corps of Retired Executives (SCORE), the Mt. Washington Valley Business Development Corporation, the Northern Community Investment Corporation (NCIC), Rural Development, the NH OSP-administered Community Development Block Grant Program, and loan guarantees through the U.S. Small Business Administration. Applicants can request this assistance through the MWVEC, or they can contact the NH SBDG or SCORE directly.

Application and Approval Process

1. Applications: Applicants must submit a completed application form (attached hereto) signed by the business owner/corporate Chief Executive Officer, to the LRC, together with the following documents:

- a. Business plan, including a detailed statement on the use of all loan funds.
- b. Copies of fiscal balance sheets and operating statement for the prior 24 months. If a start up business, a 24 month Pro Forma is required.
- c. Copies of Federal Income Tax Returns (Business and Personal), for prior fiscal periods.
- d. Most recent year to date balance sheet and operating statements.
- e. A statement reflecting all existing debt for borrowed money including: name of lending institution or person; collateral pledged, date and maturity of loan; payment requirement; rate of interest.
- f. Cash flow and income projection based on prior performance.
- g. The approval process may, from time to time, require reviewed and audited documentation.

2. Approval Process:

- a. The application, together with a financial summary will be distributed to each member of the LRC as soon after receipt as possible. Complete applications will be available at the Council office for review to members of the LRC and of the full Board of Directors.
- b. The LRC Chairman will appoint a member or members of the LRC to visit the applicant at the applicant's place of business to review the application and discuss the applicant's plans.
- c. The completed application will be presented for approval or other disposition at the next meeting of the RLFC by the Chairman or his designee.
- d. The applicant and his/her financial advisors may be requested to appear before the LRC at the Committee's discretion.
- e. The vote to approve will be by 2/3 majority of those present of the LRC, with the minimum of seven (7) members of the LRC being a quorum.
- f. The RLC may approve loans up to \$25,000 according to the RLF policies as approved by the full Board of Directors. Loans over \$25,000 will be ratified or rejected by the Mt. Washington Valley Economic Council Board of Directors at the next regular meeting.

USDA
Form RD 400-4
(Rev. 3-97)

ASSURANCE AGREEMENT
(Under Title VI, Civil Rights Act of 1964)

FORM APPROVED
OMB No. 0575-0018

The _____
(name of recipient)

(address)

("Recipient" herein) hereby assures the U. S. Department of Agriculture that Recipient is in compliance with and will continue to comply with Title VI of the Civil Rights Act of 1964 (42 USC 2000d et. seq.), 7 CFR Part 15, and Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service, or the Farm Service Agency, (hereafter known as the " Agency") regulations promulgated thereunder, 7 C.F.R. §1901.202. In accordance with that Act and the regulations referred to above, Recipient agrees that in connection with any program or activity for which Recipient receives Federal financial assistance (as such term is defined in 7 C.F.R. §14.2) no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

1. Recipient agrees that any transfer of any aided facility, other than personal property, by sale, lease or other conveyance of contract, shall be, and shall be made expressly, subject to the obligations of this agreement and transferee's assumption thereof.
2. Recipient shall:
 - (a) Keep such records and submit to the Government such timely, complete, and accurate information as the Government may determine to be necessary to ascertain our/my compliance with this agreement and the regulations.
 - (b) Permit access by authorized employees of the Agency or the U.S. Department of Agriculture during normal business hours to such books, records, accounts and other sources of information and its facilities as may be pertinent to ascertaining such compliance.
 - (c) Make available to users, participants, beneficiaries and other interested persons such information regarding the provisions of this agreement and the regulations, and in such manner as the Agency or the U.S. Department of Agriculture finds necessary to inform such persons of the protection assured them against discrimination.
3. The obligations of this agreement shall continue:
 - (a) As to any real property, including any structure, acquired or improved with the aid of the Federal financial assistance, so long as such real property is used for the purpose for which the Federal financial assistance is made or for another purpose which affords similar services or benefits, or for as long as the Recipient retains ownership or possession of the property, whichever is longer.
 - (b) As to any personal property acquired or improved with the aid of the Federal financial assistance, so long as Recipient retains ownership or possession of the property.
 - (c) As to any other aided facility or activity, until the last advance of funds under the loan or grant has been made.
4. Upon any breach or violation this agreement the Government may, at its option:
 - (a) Terminate or refuse to render or continue financial assistance for the aid of the property, facility, project, service or activity.
 - (b) Enforce this agreement by suit for specific performance or by any other available remedy under the laws of the United States or the State in which the breach or violation occurs.

Rights and remedies provided for under this agreement shall be cumulative.

In witness whereof, _____ on this
(name of recipient)

date has caused this agreement to be executed by its duly authorized officers and its seal affixed hereto, or, if a natural person, has hereunto executed this agreement.

(S E A L)

Recipient

Date

Attest: _____
Title

Title