

# MULTI-BANK LOAN POOL PROGRAM

## MULTI-BANK LOAN POOL GUIDELINES

The Greater Beloit Economic Development Corporation desires to maintain the size and participation of the existing multi-bank loan pool. To facilitate this, guidelines are proposed to outline the program and eligibility requirements.

### PROPOSED FINANCIAL INSTITUTION PARTICIPANTS/\$AMOUNT

First National Bank and Trust Company	\$ 275,000
Blackhawk State Bank	\$ 275,000
M & I	\$ 275,000
First American Credit Union	<u>\$ 175,000</u>
Total Pool	\$1,000,000

- Multi-Bank Loan Pool Committee will have a representative from each financial institution.
- Loan approvals will require a unanimous vote of participating committee members. All loans are to be participated equally among the participating members of the pool.
- Minimum loan \$50,000.
- Normal commercial loan underwriting standards will apply.

### GENERAL GUIDELINES

- Loans are to be made to for profit businesses located in the Greater Beloit area.
- Loans may be made for business start-up, expansion or recruitment. Businesses will need to commit to retention or expansion of jobs to receive funding.
- Preference will be given to value added business concerns.
- Desirable businesses:
  1. Manufacturing/Assembly
  2. Warehouse Distribution
  3. Service and Professional
  4. Commercial Real Estate Development
  5. Retail
  6. Multi-Family Residential
  7. Land Development

The loan pool will strive to avoid loan concentrations. This includes concentrations to individual borrowers and related interests as well as to specific industries or industry segments. In no cases, will loans be granted to not for profit businesses or to businesses engaged in illegal activities. The loan pool may decline funding of an eligible loan on the basis of credit concentration concerns.

- Eligible uses of funds:
  1. Purchase, expansion or remodeling of commercial real estate.
  2. Purchase of machinery and equipment.
  3. Finance Inventory.
- Ineligible uses of funds:
  1. Loans where primary repayment source is future equity or potential refinancing of debt.
  2. Loans without a secondary source of repayment.
  3. Loans for political purposes.
  4. Loans for speculative purposes.
  5. Loans secured by restricted stock in closely held corporations.
- All loans will be secured. May be a first or second lien interest.

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- All loans require personal guarantee of the owners.
- All loans to be term loans. No revolving credit lines. All loans require monthly payments. Initial term of loans not to exceed 60 months. Overall amortizations based on type of loan.
- Loans may be priced on either a fixed or floating basis. Flexible guidelines will be considered depending on credit quality.
- Fees may be charged including application and origination fees. Borrower will pay all out of pocket costs. There will be a one time application fee of \$150.00 payable to the Greater Beloit Economic Development Corporation.

**APPLICATION:**

Potential borrowers may apply in one of three ways:

- Through the Greater Beloit Economic Development Corporation.
- Through the City of Beloit Economic Development Department.
- Through a participating lender.



**GREATER BELOIT  
ECONOMIC DEVELOPMENT CORPORATION  
MULTI-BANK LOAN POOL  
INITIAL DATA SHEET AND APPLICATION  
JANUARY, 2007**

**1. APPLICANT INFORMATION-INFORMATION ABOUT YOU**

Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City/State/Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ (work) \_\_\_\_\_ (home)  
 E-mail \_\_\_\_\_ Website \_\_\_\_\_

**2. BUSINESS INFORMATION-INFORMATION ABOUT YOUR BUSINESS**

Name of Business \_\_\_\_\_  
 Address \_\_\_\_\_  
 City/State/Zip \_\_\_\_\_  
 Year Business Established \_\_\_\_\_ Business SIC# \_\_\_\_\_  
 Business Structure (check one):  
 Sole Proprietorship \_\_\_\_\_ Partnership \_\_\_\_\_  
 Corporation \_\_\_\_\_ S-Corp \_\_\_\_\_ Other \_\_\_\_\_  
 Number of Employees: \_\_\_\_\_ Full-time \_\_\_\_\_ Part-time \_\_\_\_\_

**3. MANAGEMENT INFORMATION**

List all owners, officers, directors, and/or partners having 20% or greater ownership interest.

Name \_\_\_\_\_  
 Title \_\_\_\_\_ % Ownership \_\_\_\_\_  
 Address \_\_\_\_\_  
 City/State/Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Age \_\_\_\_\_ Years Experience \_\_\_\_\_  
 Minority or Female Owner Yes \_\_\_\_\_ No \_\_\_\_\_

Name \_\_\_\_\_  
 Title \_\_\_\_\_ % Ownership \_\_\_\_\_  
 Address \_\_\_\_\_  
 City/State/Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Age \_\_\_\_\_ Years Experience \_\_\_\_\_  
 Minority or Female Owner Yes \_\_\_\_\_ No \_\_\_\_\_



Name \_\_\_\_\_  
 Title \_\_\_\_\_ % Ownership \_\_\_\_\_  
 Address \_\_\_\_\_  
 City/State/Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Age \_\_\_\_\_ Years Experience \_\_\_\_\_  
 Minority or Female Owner Yes \_\_\_\_\_ No \_\_\_\_\_

Name \_\_\_\_\_  
 Title \_\_\_\_\_ % Ownership \_\_\_\_\_  
 Address \_\_\_\_\_  
 City/State/Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Age \_\_\_\_\_ Years Experience \_\_\_\_\_  
 Minority or Female Owner Yes \_\_\_\_\_ No \_\_\_\_\_

Name \_\_\_\_\_  
 Title \_\_\_\_\_ % Ownership \_\_\_\_\_  
 Address \_\_\_\_\_  
 City/State/Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Age \_\_\_\_\_ Years Experience \_\_\_\_\_  
 Minority or Female Owner Yes \_\_\_\_\_ No \_\_\_\_\_

**4. DESCRIPTION OF BUSINESS PROJECT**

Location of Project: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Description of Proposed Project: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Size of proposed expansion \_\_\_\_\_ sf

Will new facility expand existing business operations? Yes No \_\_\_

Will your business occupy entire building? Yes \_\_\_ No \_\_\_



If no, specify what percent you will occupy \_\_\_%; and list other occupants/uses:

\_\_\_\_\_  
\_\_\_\_\_

Percentage to be occupied by applicant \_\_\_\_\_%

Will new facility replace existing facility? Yes\_\_\_ No\_\_\_

Projected Employment (within 18 months of project completion):

Management \_\_\_\_\_  
Professional/Technical \_\_\_\_\_  
Service/Clerical \_\_\_\_\_  
Manufacturing \_\_\_\_\_  
Other \_\_\_\_\_  
Total Jobs \_\_\_\_\_

Is it anticipated that any person or business might be displaced or relocated or any adverse environmental impacts occur, as a result (either directly or indirectly), of the proposed project? Yes\_\_\_ No\_\_\_

If Yes, explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Is project located in the Beloit Development Zone? Yes\_\_\_ No\_\_\_

**5. PROJECT COSTS/USES OF FUNDS**

Acquisition \$ \_\_\_\_\_  
Renovation (exterior) \_\_\_\_\_  
Rehabilitation (interior) \_\_\_\_\_  
Land Improvements \_\_\_\_\_  
New Construction \_\_\_\_\_  
Machinery/Equipment \_\_\_\_\_  
Architectural/Engineering \_\_\_\_\_  
Other \_\_\_\_\_  
Total Project Cost \$ \_\_\_\_\_



**6. PROJECT FINANCING/SOURCES OF FUNDS**

Personal Funds/Cash Equity \$ \_\_\_\_\_

Lender #1 Funds (Bank Loan): Name of Lender \_\_\_\_\_  
Amount \$ \_\_\_\_\_  
Interest rate \_\_\_\_\_  
Term \_\_\_\_\_

Use of Loan Proceeds \_\_\_\_\_  
Collateral \_\_\_\_\_

Lender #2 Funds (SBA or other): Name of Lender \_\_\_\_\_  
Amount \$ \_\_\_\_\_  
Interest rate \_\_\_\_\_  
Term \_\_\_\_\_

Use of Loan Proceeds \_\_\_\_\_  
Collateral \_\_\_\_\_

City Revolving Loan Funds:  
Amount \$ \_\_\_\_\_  
Interest rate \_\_\_\_\_  
Term \_\_\_\_\_

Use of Loan Proceeds \_\_\_\_\_  
Collateral \_\_\_\_\_

**7. EXISTING BUILDING CONDITIONS**

Does your business occupy entire building? Yes \_\_\_ No \_\_\_

If no, specify what percent you will occupy \_\_\_%; and list other occupants/uses:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If Owned: Size of Facility \_\_\_\_\_ Date Acquired \_\_\_\_\_

Purchased Price \$ \_\_\_\_\_

Existing 1<sup>st</sup> Mortgage Balance \$ \_\_\_\_\_

Original Mortgage Amount \$ \_\_\_\_\_





**8. CONTRACTOR INFORMATION**

General Contractor \_\_\_\_\_  
Street Address \_\_\_\_\_  
City/State/Zip \_\_\_\_\_

<u>Item</u>	<u>Name of Sub-Contractor</u>	<u>Amount</u>
Architect/Engineer Services:	_____	_____
Excavation:	_____	_____
Grading:	_____	_____
Gravel:	_____	_____
Blacktop/Concrete:	_____	_____
Utility Extensions:	_____	_____
Mason:	_____	_____
Structural Steel:	_____	_____
Carpenter:	_____	_____
Lumber:	_____	_____
Millwork:	_____	_____
Cabinets:	_____	_____
Roofing:	_____	_____
Insulation:	_____	_____
Plaster/Drywall:	_____	_____
Windows:	_____	_____
Awnings:	_____	_____
Electric:	_____	_____
Plumbing:	_____	_____
Heating:	_____	_____
Sheet Metal:	_____	_____
Air Conditioning:	_____	_____
Linoleum, Tile, Carpet:	_____	_____
Painting-Interior:	_____	_____
Painting-Exterior:	_____	_____
Other:	_____	_____
		TOTAL \$ _____

*(Must equal "Total Project Cost" in Section 5 of application), excluding acquisition and machinery and equipment costs.*



## APPLICATION AGREEMENT

The applicant certifies that all information in this application and all information furnished in support of this application, is given for the purpose of obtaining a loan under the GBEDC Multi-Bank Loan Pool Program, and is true and complete to the best of the applicant's knowledge and belief.

The applicant further certifies that he/she/they are the owner(s) or contract owner(s) of the project property described in this application; or the lessee of project property with proof of owner consent to improve said property.

The applicant further certifies that the loan proceeds will be used only for the work and materials identified in this application, and that applicant will abide with all provisions and guidelines of the GBEDC Multi-Bank Loan Pool Program.

The applicant authorizes the GBEDC to request and receive information required to verify company and owner financial statements, credit history, and business and property ownership status; and the disclosure of all information submitted in connection with this application, by and between the GBEDC and any lender agreeing to participate with applicant's loan through this program.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



# CERTIFICATION STATEMENT JANUARY, 2007

## THE APPLICANT

1. Certifies that to the best of its knowledge and belief, the information being submitted to the GBEDC is true and correct.
2. Certifies that the GBEDC is authorized to obtain a credit check on the applicant, the business, and/or the individuals(s) with controlling ownership interest (20% or more).
3. Understands that unless it qualifies as a trade secret, all information submitted to the GBEDC is subject to Wisconsin's Open Records Law.

The applicant requests that the GBEDC treat the following items as TRADE SECRET:

	Yes	No	NA
a. Personal financial statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Personal or business tax returns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Historical business financial statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Business financial projections	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Plan or study to be funded by the GBEDC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If section 3 is left blank then all information provided to the CBEDC will be open to examination and copying.

Signature: \_\_\_\_\_  
*(Authorized Representative)*

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

Signature: \_\_\_\_\_  
*(Authorized Representative)*

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



## SUBMITTALS

The following information is to be submitted along with the application for funding.

**1. Personal Resumes**

Completed personal resumes for each principal having 20% or greater ownership interest. Include description of experience and management capabilities.

**2. Business Plan**

Describe the firm by its type, legal organization, ownership, management, stage of development, place in the market, objectives, marketing strategy, place in the industry, agreements with other businesses, financing and capital requirements. The business plan should include a four-digit SIC code, discussion of the management team and its experience, a discussion of the market and identification of major competitors, a discussion of sales growth and composition of the customer base, a discussion of accounting methods applied to inventory and the aging of inventory, a discussion of terms offered to customers and the aging of account receivables, a discussion of agreements with suppliers and other trade accounts and the aging of accounts payable, a description of the debt structure and the status of outstanding debts, and a schedule of debt repayments.

**3. Financial Information**

The following information must be prepared and signed by a qualified accountant:

- A. New/start-up business (less than one fiscal year in operation)
  - 1. Current personal financial statements not older than 90 days for each principal identified in #3 Management Information.
  - 2. Five year projected annual balance sheet and annual profit/loss statement (quarterly statements for year 1; annual statements for years 2-5).
  
- B. Existing Business (more than one fiscal year in operation)
  - 1. Current personal financial statements not older than 90 days for each principal identified in #3 Management Information.
  - 2. Current business balance sheet, profit/loss statement, and statement of change in cash position not older than 90 days.
  - 3. Historic annual business balance sheet and annual profit/loss statement for each of last 3 fiscal years.
  - 4. Five year projected annual balance sheet and annual profit/loss statement.



**4. Letter of Financial Commitment**

All funds committed to the project (equity and debt capital) must be evidenced by letter of commitment from borrowers and/or lenders. Such letters shall state the amount of funds committed to the project, and the terms and conditions under which the funds are to be provided. The only permitted contingency in their letters shall be receipt of revolving loan funds for the project.

**5. Bid Documents**

Applicant will be required to submit all bid documents received for the proposed work to be completed.

**6. Plans and Specifications**

For new construction and construction of additions or expansions to existing building, plans and specifications are to be submitted as per site plan requirements of the appropriate municipality.

**7. Machinery and Equipment**

Applicants applying for funds for the purchase of machinery and equipment must submit a detailed listing of all items to be acquired from whom they will be purchased, purchase price, and whether the item is for replacement purposes or for additional capacity.