

## Vermont Community Loan Fund Business Loan Application

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### 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 which 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 \$250,000.

### 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 Cindy Houston, Loan Coordinator, Business Programs at VCLF (802-223-4424).
- ❖ 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
  - Three years historical financial statements
  - Current Balance Sheet, 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 or Social Security Number: \_\_\_\_\_

Type of Business: \_\_\_\_\_

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: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Owner Name: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Percent of Ownership: \_\_\_\_\_ 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 taken or are you taking bankruptcy?

- 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 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:**

Gender:

- Male
- Female

Race:

- Black or African American
- Asian
- American Indian/Alaskan Native
- Native Hawaiian
- Pacific Islander or Other
- White

Ethnicity:

- Hispanic or Latino
- Not Hispanic or Latino

**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 <sup>nd</sup> Mortgage Holder		
2 <sup>nd</sup> Mortgage Balance		
Amount of Payment		
Frequency of Payments		
Status of 2 <sup>nd</sup> 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.

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** \_\_\_\_\_

## Social Impact

1. Business' total retained earnings for the most recent fiscal year \$ \_\_\_\_\_
2. Business' total net income for most recent fiscal year \$ \_\_\_\_\_
3. Business' total sale for most recent fiscal year \$ \_\_\_\_\_

Employees:

# of Employees	Full-time	Part-time	Jobs Retained	Jobs Created*
Total				
Women				
Minority				

For part-time employees, enter as a decimal point. Ex. 20 hours = .5

\* Job was created as a result of VCLF financed project

4. Does your business engage in any of the following practices:

- |   |   |
|---|---|
| Organic farming   | <input type="checkbox"/> (check if yes) |
| Member of the VT Fresh Network                                    | <input type="checkbox"/> (check if yes) |
| Invest in energy efficiency                                       | <input type="checkbox"/> (check if yes) |
| Uses VT products in production process                            | <input type="checkbox"/> (check if yes) |
| Engage in approved forestry management plan                       | <input type="checkbox"/> (check if yes) |
| Employ "best practices" in activities that impact the environment | <input type="checkbox"/> (check if yes) |

5. Which of the following benefits are offered to employees?

- |   |                          |   |                          |
|---|--------------------------|---|--------------------------|
| Employer-assisted health insurance <sup>1</sup> | <input type="checkbox"/> | Bonuses   | <input type="checkbox"/> |
| Retirement savings plan                         | <input type="checkbox"/> | Childcare assistance                                | <input type="checkbox"/> |
| Pension   | <input type="checkbox"/> | Opportunity for advancement                         | <input type="checkbox"/> |
| Life Insurance                                  | <input type="checkbox"/> | Opportunity for training                            | <input type="checkbox"/> |
| Long-term disability                            | <input type="checkbox"/> | Pay equal to or more than livable wage <sup>3</sup> | <input type="checkbox"/> |
| Short-term disability                           | <input type="checkbox"/> | Other "employee friendly" practices <sup>2</sup>    | <input type="checkbox"/> |
| Profit Sharing                                  | <input type="checkbox"/> |   |                          |

- 11) Does the business provide:

- |  |   |
|--|---|
| Services to an economically distressed area?           | <input type="checkbox"/> (check if yes) |
| Services to low- and moderate-income individuals?      | <input type="checkbox"/> (check if yes) |
| Employment to low- and moderate-income individuals?    | <input type="checkbox"/> (check if yes) |
| Environmentally-sound products, services or processes? | <input type="checkbox"/> (check if yes) |

<sup>1</sup> **Employer-assisted health insurance is policy where the employer pays at least 84% of the premium for singles, or at least 73% for families.**

<sup>2</sup> **Indicators of an "employee friendly" workplace include, but are not limited to, the provision of the following: flex time, job shares, employee stock options, childcare on-site or subsidized, transportation subsidies or other.**

<sup>3</sup> **The livable wage figure comes from the State of Vermont's Joint Fiscal Office and is based on a single individual, based on full-time permanent employment, with employer-assisted health care. Without that benefit, the livable wage would increase \$2-5/hour. As of January, 2003 it is \$11.48/hour in rural areas (population under 25,000) and \$11.67/hr in urban areas.**

<b>ENVIRONMENTAL INFORMATION</b> <b>“SHORT FORM”</b>
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**The purpose of this “short form” is to collect a basic amount of information to help Rural Development complete its Environmental Review. Depending on the information provided with this form, you may be requested to complete Form 1940-20, “Request For Environmental Information”. If your project involves ground disturbing construction or major building addition/rehab., the 1940-20 will be required and you should contact RD (B&I Loan Guarantee) or your Intermediary (IRP loans) as soon as possible.**

***DESCRIPTION OF PROJECT:*** Please provide a brief description of how the proposed funds (from all sources) will be used by your business. If your project involves construction (whether interior or exterior or renovations), please describe that in detail.

***LOCATION OF PROJECT:*** Please provide an accurate street map outlining the project site. **If a clear and detailed site map is not provided, we can not proceed with the review and your project will experience an approval delay.**

**Is your business located within a 100-year floodplain? \_\_\_\_\_ If NO, how did you verify this? \_\_\_\_\_**

***PERMITS REQUIRED:*** List any local (zoning), State or Federal permits that you will be required to obtain (or currently hold) for your project. If a permit is in process, please explain its current status.

***OTHER REGULATIONS:*** Please list the State, Federal, local or other regulations that your business is required to comply with:

**HAZARDOUS WASTES / MATERIALS:** Please list any regulated hazardous materials or wastes that your business uses or creates:

If applicable, please describe how your hazardous wastes/materials are stored, handled and disposed of:

If real estate will serve as collateral for the requested loan, does the property contain any areas where regulated hazardous substances or petroleum products appear to have been released?

Does your property contain an underground storage tank? If so, please describe the type, size, age, date of last State certification and any other relevant facts.

***POTENTIAL IMPACT TO HISTORIC PROPERTIES:***

Is your business located in a designated historic district or an area that could be considered eligible for designation as a historic district?

Is the building that you are located in 50 years or older (if yes, **provide color pictures** of the building from all sides – digital photos are preferred)?

***UTILITY AVAILABILITY:***

Is your business facility connected to a municipal wastewater system? If no, please describe the existing on-site system, including capacity.

Is your business facility connected to a municipal water system?

RBEG Required Certification  
Technical Assistance - Business Assisted

NAME OF BUSINESS: \_\_\_\_\_

1. I / We certify that at least 51 % of the outstanding membership or ownership of the business to be assisted is held by citizens of the United States or are persons that 'reside in the United States and have been legally admitted for permanent residence.

2. I/We certify that the business is a small business (has fewer than 50 employees and generally less than \$1 million in gross revenue).

Signature \_\_\_\_\_

Date \_\_\_\_\_

Civil Rights and Equal Opportunity

The following information is requested by the Federal Government in order to monitor the Provider's compliance with the Equal Credit Opportunity Act.

You are not required to furnish this information, but are encouraged to do so.

The law requires that the Provider 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 the Provider is required to note race and sex on the basis of visual observation or surname.

If you do not wish to furnish the following information, please check the box below.

Owner

- |  |   |
|--|---|
| <input type="checkbox"/> American Indian/Alaskan Native            | <input type="checkbox"/> Latino or Hispanic         |
| <input type="checkbox"/> Asian                                     | <input type="checkbox"/> Non Latino or Non-Hispanic |
| <input type="checkbox"/> Black or African American                 |   |
| <input type="checkbox"/> Native Hawaiian or Other Pacific Islander | <input type="checkbox"/> Male                       |
| <input type="checkbox"/> White                                     | <input type="checkbox"/> Female                     |
| <input type="checkbox"/> Other                                     |   |
- I do not wish to furnish this information

Co-Owner

- |  |   |
|--|---|
| <input type="checkbox"/> American Indian/Alaskan Native            | <input type="checkbox"/> Latino or Hispanic         |
| <input type="checkbox"/> Asian                                     | <input type="checkbox"/> Non Latino or Non-Hispanic |
| <input type="checkbox"/> Black or African American                 |   |
| <input type="checkbox"/> Native Hawaiian or Other Pacific Islander | <input type="checkbox"/> Male                       |
| <input type="checkbox"/> White                                     | <input type="checkbox"/> Female                     |
| <input type="checkbox"/> Other                                     |   |
- I do not wish to furnish this information