

New Bedford Economic Development Council, Inc.

EDA REVOLVING LOAN FUND (NON-FISHING)

BACKGROUND: This revolving loan fund assistance program was established with a grant from the U.S. Economic Development Administration and was established to aid in the creation and retention of jobs, primarily for low to moderate income individuals within the community. Funding under this program is intended to be made available to qualified borrowers in conjunction with other private sources of funding. This program and these funds are strictly intended to act as gap financing only. It is the New Bedford Economic Development Council, Inc.'s (NBEDC) position to assist businesses by leveraging private and other public funding already committed to the project.

HOW IT WORKS: Under the EDA RLF Program, NBEDC will provide loans and gap financing which can be used as the down payment on a larger project. NBEDC's portion of the project is generally 50% or less, although in instances where there is a financing gap NBEDC's percentage and dollars may be larger.

INTEREST RATE: Interest rates will be determined by the loan committee and will be based on the Prime Rate

FEES: NBEDC charges a \$275 application fee upon application submittal (non-refundable). NBEDC generally charges a 1% administration fee at the closing (non-refundable).

ELIGIBLE BUSINESSES:

- Manufacturing
- Retail
- Wholesale
- Service
- Other Commercial/Industrial

ELIGIBLE PROJECTS:

Loan funds will be used for acquisition of land and buildings; equipment, machinery, furnishings and other fixed assets; and working capital needs.

**JOB
REQUIREMENTS:**

NBEDC requires that a business must demonstrate that it can create a minimum of one job or will retain a minimum of one job for each \$35,000 of NBEDC investment in the first two years of the loan. For example, if NBEDC is contributing \$70,000, NBEDC requires that at least 2 new jobs be created or evidence that 2 jobs have been retained as a result of these funds. NBEDC also requires that at least 51% of those jobs are offered to or retained by low and or moderate income (based on HUD guidelines) individuals.

**GEOGRAPHIC
COVERAGE:**

This program provides assistance to small businesses located within the City of New Bedford.

1. Complete NBEDC loan application package.
2. Business plan required for all business start-ups along with 2 years of projections.
3. 3 years of historical financial statements (Personal & Corporate – for all principals with 20% or more ownership).
4. Personal financial statement (attached) – Also required for all principals with 20% or more ownership.
5. When applicable – appraisals/ 21-E reports/ Invoices/ Estimates

*Disclaimer: All information provided to the New Bedford Economic Development Council, Inc. may be subject to public disclosure.

*Disclaimer: This loan program and any specific loans are contingent upon the availability of funds. If at any time this funding source is depleted, this loan program and any commitments to fund specific loans may become null and void.

FOR MORE INFORMATION CONTACT NBEDC AT 508-991-3122; FAX 508-991-7372

The New Bedford Economic Development Council, Inc.
1213 Purchase Street, 3rd Floor
New Bedford, MA 02740

NBEDC STAFF

Matthew A. Morrissey, Executive Director
mmorrissey@nbedc.org

New Bedford Economic Development Council, Inc.

LOAN APPLICATION INSTRUCTIONS:

- Complete and sign, **front and back**, all forms in this loan application
- Include a comprehensive business plan (if business is less than 1 year old)
- Include the past three years financial state / tax returns (Schedule c)
- Include your own personal tax return for past three years
- Evidence that all City, State, and Federal Taxes are current
- Copies of all licenses and permits necessary to operate
- Evidence of bank or other financing (copy of commitment letter)
- Copy of letter of bank denial
- Certificate of Corporate Existence (provided by the Secretary of State, MA)
- Certificate of Good Standing (provided by the Secretary of State, MA)
- Articles of Organization / Incorporation (Certified by Secretary of State)
- Partnership Agreement / Documentation
- Evidence of Sole Proprietorship / Ownership (attach Schedule C)
- Appraisals (or other acceptable proof of collateral value)
- Return all of the above information as soon as possible, please call immediately with questions.

CREDIT AUTHORIZATION FORM

NAME: _____

ADDRESS: _____

DATE OF BIRTH: _____

SOCIAL SECURITY #: _____

NAME: _____

ADDRESS: _____

DATE OF BIRTH: _____

SOCIAL SECURITY #: _____

I (We) authorize the New Bedford Economic Development Council, Inc. (NBEDC) or an agent thereof, to obtain any and all credit information required to process a loan under the Revolving Loan Fund.

Name Date

Name Date

Name Date

NEW BEDFORD ECONOMIC DEVELOPMENT COUNCIL, INC. LOAN APPLICATION

Date: _____

I. BUSINESS INFORMATION

Business Name _____

Address _____

Telephone _____ Tax I.D.# _____

Individual Name(s) _____

Address _____

Telephone# _____ Social Security# _____ Date of Birth _____

Proprietorship _____ Partnership _____ Corporation _____ Subchapter S _____ Realty Trust _____

Ownership Distribution:

Name _____ Percent of Ownership _____ Title _____

Name _____ Percent of Ownership _____ Title _____

Name _____ Percent of Ownership _____ Title _____

(Please use the back of this application to add information about additional ownership)

Nature of Business _____ Year Established _____ Number of Employees _____

Years at Present Location _____ [] Own _____ [] Lease Terms _____

Accountant _____ Tel. # _____ Ins. Agent _____ Tel.# _____

Attorney _____ Tel.# _____

II. LOAN REQUEST INFORMATION

Amount _____ Term _____

Purpose/Use of Funds _____

Collateral Offered _____

Primary Repayment Source _____ Secondary Source _____

III. FINANCIAL INFORMATION

Existing Businesses: Minimum of 3 Years of Financial Statements are Required

New Businesses: Comprehensive Business Plan with 3 Years of Projected Financial Statements

Credit Relationships:

<u>Name of Creditor</u>	<u>Purpose of Loan</u>	<u>Amount</u>	<u>Bal</u>	<u>Terms</u>	<u>Maturity Date</u>
_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	\$ _____	\$ _____	_____	_____

ASSURANCES

The applicant gives assurance of compliance with the Title VI of the Civil Rights Act of 1964, as amended. The Act prohibits discrimination on grounds of race, sex, color, religion, marital status, handicap, age or national origin.

The applicant further gives assurances that:

The applicant will comply with Federal and State air and water regulations and obtain all necessary permits and certifications for all environmental requirements.

The applicant warrants that all Federal, State and Municipal tax liabilities are current, and that no assets of the borrower are encumbered due to non-payment of taxes.

The funding of this Project will not result in the relocating of jobs from one labor area to another.

Flood Hazard Insurance will be obtained when needed.

The applicant will insure accessibility to the handicapped for construction projects to which the public will have access.

The applicants will wherever possible give consideration for employment to the long-termed underemployed and unemployed residing in this area.

I have read and given these assurances and affix my signature on this _____ day of _____, 20_____.

Signed: _____

Title: _____

Use of Proceeds

Loan Requested

Land Acquisition	\$ _____
Land Improvement	_____
Purchase and/or Remodel Existing Building	_____
New Construction	_____
Purchase and/or Repair of Machinery/Equipment	_____
Purchase of Furniture or Fixtures	_____
Working Capital	_____
Other	_____
Total Loan Requested	\$ _____

Summary of Collateral Coverage

Explain Collateral to be used _____

Value offered to NBEDC

Market value of assets as collateral for loan	\$ _____
Less: Prior Liens	_____
Equals: Value of Assets Available to NBEDC	_____

NBEDC Loan

Less: Amount of Loan	\$ _____
Equals: Collateral in Excess of Loan Amount	_____

Asset Coverage Ratio

Assets Available to the NBEDC=NBEDC Loan \$ _____

PRO FORMA INCOME STATEMENTS

THREE YEAR SUMMARY

	YEAR 1	YEAR 2	YEAR 3
SALES	_____	_____	_____
Less: Cost of Goods Sold	_____	_____	_____
GROSS PROFIT	_____	_____	_____
OPERATING EXPENSES:	_____	_____	_____
Outside Labor	_____	_____	_____
Operating Supplies	_____	_____	_____
Salaries & Wages	_____	_____	_____
Repairs & Maintenance	_____	_____	_____
Advertising	_____	_____	_____
Car & Delivery	_____	_____	_____
Bad Debts	_____	_____	_____
Gen. Off. Admin & Legal	_____	_____	_____
Rent	_____	_____	_____
Utilities	_____	_____	_____
Insurance	_____	_____	_____
Taxes & Licenses	_____	_____	_____
Interest	_____	_____	_____
Depreciation	_____	_____	_____
Miscellaneous	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL OPERATING EXP.	_____	_____	_____
PROFIT (LOSS) PRE-TAX	_____	_____	_____
TAXES	_____	_____	_____
NET PROFIT (LOSS)	_____	_____	_____

RESOLUTION OF THE BOARD OF DIRECTORS

Name of Applicant

1. RESOLVED, that the Officers of the Corporation named below, or any one of them, or their, or any one of their, duly elected or appointed successors in office, be and they are hereby authorized and empowered in the name and on behalf for this Corporation and under it's corporate seal, to execute and deliver to the **New Bedford Economic Development Council (NBEDC)** in the form required by the **NBEDC**, the following documents: (a) loan application, the total thereof not to exceed the amount of \$_____, maturing on such date or dates and bearing interest at such rate or rates as may be prescribed by the **NBEDC**; (b) applications for renewals or extensions of all or any part of such loan or loans and of any other loans, heretofore or hereafter made by the **NBEDC** to this Corporation; (c) the promissory note or notes of this Corporation evidencing such loan or loans or any renewals or extensions thereof; and (d) any other instruments or agreements of this Corporation which may be required by the **NBEDC** in connection with such loans, renewals, and/or extensions; and that said officers in their discretion may accept any such loan or loans in installments and give one or more notes of this Corporation therefore, and may receive and endorse in the name of this Corporation any checks or drafts representing such loan or loans or any such installments.

2. FURTHER RESOLVED, that the aforesaid officers or any one of them or their duly elected or appointed successors in office, be and they are hereby authorized and empowered to do any acts, including, but not limited to, the mortgage, pledge or hypothecation from time to time with the **NBEDC**, of any or all assets of this Corporation to secure such loan or loans, renewals or extensions, and to execute in the name of an on behalf of this Corporation and under it's corporate seal or otherwise, any instrument or agreements deemed necessary or proper by the **NBEDC**, in respect of the collateral securing any indebtedness of this Corporation.

3. FURTHER RESOLVED, that any indebtedness heretofore contracted an any contracts or agreements heretofore made with the **NBEDC** on behalf of this Corporation, and all acts of officers or agents of this Corporation with said indebtedness or said contracts or agreements, are hereby ratified and confirmed.

4. FURTHER RESOLVED, that the officers referred to in the foregoing resolutions are as follows:

(Printed Name)	(Title)	(Signature)
(Printed Name)	(Title)	(Signature)
(Printed Name)	(Title)	(Signature)

5. FURTHER RESOLVED, that the **NBEDC** is authorized to rely upon the aforesaid resolutions until receipt of written notice of any change.

