



***Harrison County Economic  
Development Corporation***

***Revolving Loan Fund Application***

**Harrison County, Indiana**

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Harrison County  
Chamber of Commerce

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Community Foundation

Indiana Office of  
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# Harrison County

*Economic Development Corporation*

*Revolving Loan Fund Application Harrison County, IN.*

## Introduction

The loan applicant is responsible for the submission of a complete loan package, which includes:

1. Completed Loan Application.
2. All supporting documents described in the Loan Application.

**ANY APPLICATION WHICH IS INCOMPLETE OR CONTAINS INSUFFICIENT INFORMATION AND SUPPORTING DOCUMENTATION WILL BE RETURNED TO THE APPLICANT.**

Additional information may be requested by the Loan Review Committee, if deemed necessary, to assist the Committee in its review of the loan request. The application and supporting documentation must be submitted to the Harrison County Economic Development Corporation. The HCEDC will use its best efforts to keep all information in confidence and shall not make it available for access by the general public. However, all members of the Loan Review Committee will review all of the information and documents submitted. The intent of the Harrison County RLF is to provide for retention and expansion of business opportunities in Harrison County through RLF recipients who shall increase investment and disposable revenue in the county and further enhance possibilities for related business development and job opportunities. To achieve these goals, the RLF makes loans available at competitive interest rates to companies in Harrison County that meet the criteria developed for the program. RLF loans are not intended to compete with traditional bank financing. Please take the time to carefully review the documents in this package. After you have reviewed them, the staff of the Harrison County Economic Development Corporation (HCEDC) would be pleased to discuss your project to determine its compatibility with the RLF's program objectives and criteria. The HCEDC does not discriminate against prospective or identified loan applicants because of race, color, religion, sex, national origin, age or physical impairment.

# Harrison County

*Economic Development Corporation*

*Revolving Loan Fund Application Harrison County, IN*

## Responsibilities of the Borrower

A business plan containing information on the management of the company, an analysis of the marketing competition, internal and external financing options, and financial projections shall be part of the information provided by the Borrower. An outline of the specific use of funds and how that project will contribute to the success of the business shall also be presented. Reliable financial statements are critical to helping a lender or investor make an investment decision; an existing business will be required to supply copies of at least three years of financial history. New business startups will have to prove the credit worthiness of the individual requesting the loan as well as present a dynamic business plan.

**APPLICATION FEE:**

Application Fee: (Non-refundable) \$100.00\*

*\*(To be submitted with Loan Application)*

- 1) The Borrower will bear the cost of all accounting services, appraisals, legal counsel, and surveys associated with the preparation and filing of the application. The borrower will be charged a loan application fee of \$100 due at the time the application is made.
- 2) In addition, a processing fee of \$250 will be due at the time the Borrower accepts the general loan terms and conditions. The processing fee is non-refundable.
- 3) Additional fees will apply if the Borrower is unable to close a loan within the term of the commitment letter (30 days).
- 4) If after accepting the general terms and conditions, the Borrower, for whatever reason, fails to close the loan, it will be responsible for 100% of the legal fees.
- 5) If the Loan Review Committee requires the legal opinion of the Borrower's Counsel as to certain matters and affairs of the borrower, the cost of this will be borne by the Borrower, and is a matter of negotiation between it and its Counsel.

**OTHER:**

It is the policy of the Harrison County EDC to insist on strict compliance with all of the terms and conditions of any RLF loan. If the Borrower seeks to refinance or renegotiate an RLF loan, or any of its other loans, or submits a Subordination or Intercredit or Agreement prepared by the Lender of the Borrower, and it requires the EDC's review or participation, the legal fees and disbursements that the EDC incurs in connection with this request are payable by the Borrower making the request, notwithstanding that the EDC may deny the request after review.

**APPLICATION:**

Each Borrower is required to indicate on the Harrison County RLF Loan Application the number of full-time jobs to be created or retained as a result of the project.

**REPORTING REQUIREMENTS:**

Financial information including, but not limited to, financial statements, tax returns, and progress reports on the project, must be submitted to the HCEDC by December 31<sup>st</sup> for each year the loan is outstanding.

# Harrison County

*ECONOMIC DEVELOPMENT CORPORATION*  
*Revolving Loan Fund Application HARRISON County, IN.*

## Loan Review and Approval Procedure

The HCEDC, through its representative, (the RLF) will make every effort to adhere to the guidelines described herein. However, each individual loan may present special circumstances that require some deviation from the guidelines.

### **STEP 1:**

Each loan application is submitted to and initially reviewed by the RLF Loan Review Committee of the HCEDC to determine if it satisfies the objectives and criteria of the RLF program.

### **STEP 2:**

If the program objectives and criteria are satisfied, and available funds exist for funding the loan, the HCEDC will notify the Borrower of the recommended general loan terms and collateral. A \$250 processing fee will be paid by the Borrower at the time of acceptance.

### **STEP 3:**

If the RLF and the HCEDC approve the loan, the HCEDC will issue to the Borrower a formal Commitment Letter, informing the Borrower of the terms and conditions of the loan. The Borrower will be required to sign and return the Commitment Letter within ten (10) days.

### **CREDITWORTHINESS:**

The applicant must not be in arrears or default on any of the following obligations:

- (1) *Real property taxes;*
- (2) *Mortgage payments;*
- (3) *Federal and state tax obligations, including the timely filing of all tax returns;*
- (4) *Other debts including any past or existing RLF loan;*
- (5) *Revolving credit loans and related obligations; and*
- (6) *Unsatisfied judgments or other claims which would interfere with the County's rights in the collateral.*

Noncompliance with any of the above will be considered an appropriate reason for loan refusal. The applicant will, however, have the opportunity to correct any of the above problems. Yet, substantial noncompliance will show a lack of creditworthiness and result in denial of the Loan Application.

The Loan Review Committee's prime responsibility is the review and approval, or denial, of loan requests submitted under Harrison County's Revolving Loan Fund (RLF).

The Current members of the Loan Review Committee are:

Bill Taylor	Regions Bank
Tom Speaker	Apple Valley Nursery, LLC
Donn Blank	Blank & Ingram, CPA's
David Kitterman	Community First Bank
Donnie Hussung	First Harrison Bank

## Loan Review Criteria

### PROJECT FEASIBILITY:

The applicant must provide detailed information to the Loan Review Committee substantiating the feasibility of the project for which an RLF loan is being sought. The feasibility of all aspects of the project will be examined and will include, but are not limited to, the following:

- (1) *Income projections;*
- (2) *Project projections;*
- (3) *Job projections.*

Concerns regarding the feasibility of a project will be considered an appropriate reason for a loan refusal.

### JOB OPPORTUNITIES:

The HCEDC has established, as a primary goal of the RLF Program, the creation or retention of one full-time job for each \$10,000 in loan funds made for each project. However, the inability of a project to meet this goal will not constitute automatic refusal of the loan request. The Loan Review Committee will review each loan application on an individual basis to identify other aspects of the project that may be desirable and which meet other goals and objectives described herein.

### ELIGIBLE USE OF LOAN PROCEEDS:

In terms of priority as identified by the HCEDC, loan proceeds may be used for, but are not limited to, the following:

- (1) *Purchase of capital equipment;*
- (2) *Acquisitions and/or new construction;*
- (3) *Renovations and/or additions to facilities; and*
- (4) *Working capital, new product development, and other activities that will facilitate the creation or retention of jobs for low-to-moderate-income people.*
- (5) *Gap or subsidy financing.*

### PROOF OF FINANCIAL COMMITMENT:

In reviewing each Loan Application, the Loan Review Committee will address the availability of firm financial commitments for the non-RLF financing portion of the project, if applicable.

#### **SECURITY:**

All loans must be adequately secured. The types of security the RLF may require are discussed in the next Section, General Terms and Conditions.

## **General Terms and Conditions**

#### **LOAN TERMS:**

Generally, the maximum term of RLF loans is five (5) years with principal and interest repayable monthly. In some cases, the RLF may approve a loan with a longer maturity and deferral of principal payments.

#### **INTEREST RATE:**

Generally, Harrison County RLF loans will be fixed rate loans at a competitive rate.

#### **SECURITY FOR LOANS:**

##### **(1) Personal Guaranties**

Harrison County RLF requires the personal guaranty of repayment by each principal officer/shareholder or partner of Borrower. Additionally, if shares of stock of Borrower are owned jointly with any principal shareholder's spouse and/or if a significant portion of personal assets of any principal shareholder or partner are in joint names, then the respective spouse(s) may also be required to execute personal guaranties.

##### **(2) Mortgages**

Harrison County RLF requires a mortgage in cases where (a) real estate is being acquired with RLF funds; (b) the real estate where the Borrower's business is located is owned by the shareholders (either individually or through an entity) or partners of Borrower and leased to Borrower; and (c) in any other instances in which the RLF Committee deems it necessary.

##### **(3) General Security Interests**

Harrison County RLF requires each Borrower to grant to the RLF a blanket security interest in the Borrower's assets, including but not limited to, accounts receivable, inventory, general intangibles and equipment.

##### **(4) Insurance**

In certain circumstances, the RLF may require officers/shareholders and/or partners to assign to the HCEDC the proceeds of life insurance policies as additional security for the repayment of the loan. Proof of insurance will be required on all collateral.

# HARRISON COUNTY ECONOMIC DEVELOPMENT CORPORATION

## Application for Revolving Loan Fund

Application Fee: \$100 (non-refundable)

### APPLICANT INFORMATION:

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

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

Fax Number: \_\_\_\_\_

E-mail: \_\_\_\_\_

Federal ID Number: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Business Type:  Corporation  Partnership  
 Limited Liability  Sole Proprietorship

State and Date of Incorporation: \_\_\_\_\_

### COMPANY BACKGROUND:

#### Schedule A – Brief History

Please attach as Schedule A, a brief history of the company to include but not limited to:

- Date of inception and major achievements in sales, earnings and employment growth.
- Product(s) description and development.
- Marketing Strategy.
- Details on any other related companies (i.e., subsidiary).
- Names and addresses of top three customers, suppliers and competitors. *Start-up companies should explain their plans for all of the areas outlined above.*

**COMPANY OWNERSHIP:**

List the name, title, residential address, phone number and percentage of ownership for each owner of the company who owns 20% or more of the outstanding stock.

Name/Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

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

Percentage Ownership: \_\_\_\_\_

Number of Shares: \_\_\_\_\_

Name of Spouse: \_\_\_\_\_

*(If stock owned in Joint Names)*

Name/Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

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

Percentage Ownership: \_\_\_\_\_

Number of Shares: \_\_\_\_\_

Name of Spouse: \_\_\_\_\_

*(if stock owned in Joint Names)*

Name/Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

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

Percentage Ownership: \_\_\_\_\_

Number of Shares: \_\_\_\_\_

Name of Spouse: \_\_\_\_\_

*(If stock owned in Joint Names)*

Name/Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

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

Percentage Ownership: \_\_\_\_\_

Number of Shares: \_\_\_\_\_

Name of Spouse: \_\_\_\_\_

*(If stock owned in Joint Names)*

*If additional space is required, please continue on a separate sheet.*

**OUTSIDE PROFESSIONALS:**

Please list the names, addresses and phone numbers of applicant's, accountant(s), attorney(s), banker(s) and any other outside professionals:

**Accountant's Name:** \_\_\_\_\_

Firm: \_\_\_\_\_

Address: \_\_\_\_\_

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

**Attorney's Name:** \_\_\_\_\_

Firm: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

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

**Banker's Name:** \_\_\_\_\_

Firm: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

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

**Other's Name:** \_\_\_\_\_

Firm: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

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

**FACILITY:**

Please list the owner or owners of the land and buildings occupied by the applying company. If the project to be funded by RLF funds consists of the acquisition and construction of a new facility at a new location, please also list the owner or owners of that real property.

Current Facility Location: \_\_\_\_\_

Owners: \_\_\_\_\_

New Facility Location: \_\_\_\_\_

Owners: \_\_\_\_\_

**Schedule B – Facility Description**

Please attach as Schedule B a description of the facility (or facilities if multiple locations) and a plot plan or photo, if available.

**Schedule C – Deed or Lease to Property**

If applicant owns the facility and underlying real estate, please attach a copy of the deed to the property as Schedule C. If applicant leases the facility, please attach, as Schedule C, a copy of the lease. If the project consists of the construction of a new facility, please attach a copy of the lease or deed to that property, whichever is appropriate.

**Schedule D – Copy of Mortgage**

If the facility and underlying real estate is subject to a mortgage or mortgages, please attach a copy of the mortgage (s) as Schedule D.

**PROJECT DESCRIPTION:**

What does this project consist of? (i.e., building a new, larger facility, etc.). *If more space is needed, please continue on a separate sheet.* \_\_\_\_\_

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

When will the project be completed? If the project is being carried out in stages, please list the approximate completion date of each stage.

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

---

**SOURCES OF FUNDS:**

**Source                      Amount                      Term                      Purpose                      Security                      Type**

Bank \_\_\_\_\_

Private \_\_\_\_\_

Equity \_\_\_\_\_

\*★◆→\*※□◆※▲▼\*※☒ \_\_\_\_\_

Other: (        ) \_\_\_\_\_

Total: \$ \_\_\_\_\_

(Types of funding include: term loan, line of credit, mortgage note, etc.) If additional space is needed, please continue on a separate sheet.

**USE OF FUNDS:**

**Building:**

Renovation \$ \_\_\_\_\_  
Acquisition \$ \_\_\_\_\_  
Expansion \$ \_\_\_\_\_  
New Building \$ \_\_\_\_\_

**Equipment:**

Purchase capital equip. \$ \_\_\_\_\_

**Product Development:** \$ \_\_\_\_\_

**Other Costs** \$ \_\_\_\_\_

**TOTAL** \$ \_\_\_\_\_

**Schedule E – Proof of Financial Commitment**

Please attach as Schedule E proof of financial commitment from other lending sources detailing the source, amount, rate, term, security and annual payment. If part of the project is being financed with equity from the Company please attach a certification that the equity is now available or will be available at the time the project is initiated.

**Schedule F – Vendor Estimates**

Please attach as Schedule F vendor estimates for all components of the project. All cost or price estimates should be good for ninety (90) days.

**JOBS:**

Note the number of full-time or full-time equivalents employed at present and to be created by this project, or retained because of this project. If no new jobs will be created and only jobs retained, please indicate by adding "R" after the number of retained jobs.

**Additional Jobs Created or Number of Jobs Retained (R)**

Job Classification	Pay Range	Currently Employed	Year 1	Year 2	Year 3
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

If additional space is needed, please continue on a separate sheet.

Estimated number, actual or projected, to be filled by persons from low-to-moderate-income households: \_\_\_\_\_

**PRIOR LOAN HISTORY:**

Please list all outstanding loans previously made to the company, or if for the company’s benefit, to any principal shareholder or partner.

<b>Lending Institution</b>	<b>Original Amount/ Current Balance</b>	<b>Purpose</b>	<b>Security Term</b>	<b>Type</b>	<b>Borrower</b>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

*If additional space is needed, please continue on a separate sheet.*

**FINANCIAL STATEMENTS & PROJECTIONS:**

**Schedule G – Financial Statements**

Please attach as Schedule G financial statements of the company (audited, if available) for the past two years and, if available, unaudited quarterly financial statements for the current calendar or fiscal year.

**Schedule H – Projections/Proformas**

Please attach as Schedule H projections/proformas for the project in the form of monthly cash flow for the first year, and annual income statements and balance sheets for the next three years. Written assumptions must be provided with these projections.

**Schedule I – Financials of Shareholders or Partners**

Please attach as Schedule I the personal financial statement of each owner of the company listed under **Company Ownership**. The personal financial statement must contain a clear listing of each asset and whether it is pledged as security for any indebtedness.

**REPRESENTATIONS BY THE APPLICANT:**

The undersigned certifies that all information, which has been or will be furnished in support of this application, is given for the purpose of obtaining a loan under the Harrison County Revolving Loan Fund. I further certify that all information submitted has been examined and approved by me and is true, correct and complete. I agree to abide by all requirements to be set forth in connection with said loan program and the penalties and provisions of all applicable local, state and federal laws pertaining to falsification of any item contained herein or fraudulent misrepresentation of my business. Lastly, I agree that verification of my information contained herein, or to be provided in support of this loan request, may be obtained, and a formal credit check may be undertaken. The loan applicant agrees to pay all reasonable closing costs associated with the project. Closing costs may be included as an eligible expense under the loan, and the loan request may be increased by the amount of the closing costs.

Typed Name: \_\_\_\_\_

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