

CITY OF TIPTON
REVOLVING LOAN FUND APPLICATION

PROGRAM DESCRIPTION

The Tipton Revolving Loan Fund (RLF) shall be operated under the guidance of the following revolving loan fund plan. This Revolving Loan Fund Plan will not be amended or changed without prior written concurrence from Rural Development (grantor), an Agency of the USDA.

1. Use of Grant Funds:

Grant funds to be received by the grantee through the Rural Business Enterprise Grant program will be used to establish a revolving loan fund (RLF). The RLF will be used to provide financial assistance to third parties within the guidelines of this revolving loan fund plan.

2. Scope of program:

The Tipton Community RLF is primarily targeted toward small start-up or established businesses expanding / relocating to Tipton. The RLF is focused on Tipton's downtown commercial district, but applications will be accepted from any business within Tipton city limits.

The Tipton Development Commission (TDC) will serve as the Loan Committee for the purposes of the RLF program. A group of four local bankers will serve as non-voting advisory members of the Loan Committee.

3. Sources of all non-grant funds:

Applicants of the RLF will be required to meet their financial needs from their own resources and commercial financial institutions whenever possible. The RLF will be used to finance applicant needs that cannot be met from the above resources. The RLF may finance up to 100% of an applicant's needs if other resources are not available.

4. Purpose and limitations of the loans made from the RLF:

- **Planned projects to be financed may include but not limited to:**
 - a. Project / business to be assisted by the RLF program typically must be physically located within the city limits of Tipton, Iowa. On a case-by-case basis, the RLF Committee may waive this requirement and provide loan funds to a business located outside the city limits if the committee determines doing so will have a positive economic impact on the community to be assisted with RLF funds.
 - b. Acquisition and development of land, easements, and rights-of-way.
 - c. Construction, conversion, enlargement, repairs or modernization of buildings (including façade repairs), plants, machinery, equipment, access

streets and roads, parking areas, utilities, and pollution control and abatement facilities.

- d. Loans for startup operating cost and working capital.
 - e. Technical assistance for private business enterprises.
 - f. A priority will be given to downtown retail and commercial projects.
- **Limitation on loans from the RLF:**
 - a. RLF funds will not be used to produce agriculture products through growing, cultivation, and harvesting either directly or through horizontally integrated livestock operations except for commercial nurseries or greenhouses, timber operations, or limited agricultural production related to technical assistance projects.
 - b. RLF funds will not be used to finance comprehensive area-wide type planning. This does not preclude the use of grant funds for planning for a given project.
 - c. RLF funds will not be used to fund a part of a project, which is dependent on other funding unless there is a firm commitment of the other funding to ensure completion of the project.
 - d. Loans will not be made unless there is a reasonable prospect that the applicant meets the definition of "small and emerging private business enterprises" defined as "any private business that will employ 50 or fewer new employees and has less than \$1 million in projected gross revenues." If the grantor changes its definition of small and emerging business as defined by the Rural Business Enterprise Grant regulations, the grantee reserves the right to utilize the amended definition without further approval from the grantor.
 - e. At least 51% of the outstanding interest in the applicant must be owned by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence.
 - **Other Lending criteria:**
 - a. Loans to be made from the RLF will not exceed the level of available funding in the RLF bank account. Loans made from the RLF typically will not be less than \$2,500 and not more than \$10,000. The Loan Committee may authorize smaller or larger loans on a case-by-case basis if unusual circumstances are present.
 - b. Loans may be amortized over the lesser of seven years or the life of the security. The Loan Committee shall determine the term.
 - c. Initially the interest rate will typically not exceed prime rate by more than 1%. The Loan Committee will determine the rate.
 - d. Typically security shall consist of the best possible lien available on real estate, equipment, inventory, etc. The discounted value of the security (using typical lender discount rates) shall equal or exceed the value of the loan. The Loan Committee may require personal guarantees and/or co-signors. The Loan Committee shall have authority to require lesser security on a case-by-case basis.
 - e. There must be evidence presented by the applicant that indicates the RLF loan is necessary to make the proposed project feasible.

- f. RLF loan funds will not be used to pay off any previous debt. Refinancing construction financing is an allowable exception to this rule.
- g. If the business relocates outside of Tipton city limits, the Loan Committee shall require immediate pay off of the loan.
- h. The proposed project must be presented to the Loan Committee by the prospective business owner or his/her representative.
- i. The Loan Committee may require written feasibility studies, business plans, market studies, etc. as appropriate for the business type.
- j. An application fee shall be submitted with each application to cover costs associated with processing the loan. The fee will be determined by adding .5% to the approved interest rate. Costs associated with processing the application (e.g. credit report fees, UCC and lien search fees, filing security documents, filing legal documents fees, etc.) shall be the responsibility of the applicant. The Loan Committee may waive or amend this fee structure at any time, without further approval from the grantor.

5. Number of jobs to be created/saved with each project:

The grantee has a goal of creating or retaining at least one full time job for each \$10,000 loaned from the RLF.

6. Project priority and length of time involved in completion of each project:

Applications for RLF funds will be accepted on a continual basis. Applicants who choose to apply in times when inadequate funds exist for extending a loan will be informed of the lack of funds. Applications will be reviewed and funded (if eligible) based on the following criteria:

- a. Applications with the greatest anticipated economic impact for the community shall receive greatest priority. Criteria to be considered in determining economic impact include number of jobs created or saved, wage scale of employees, benefits paid to employees. The TEDCO TIF incentive matrix, or a modified version of that matrix, may be used to score each application in these areas.
- b. Applications of equal economic impact will be funded in date order of application.
- c. In accordance with Federal law and U.S. Department of Agriculture policy, the Loan Committee will not discriminate on the basis of race, color, national origin, sex, religion, age, disability, or marital or family status.
- d. The Loan Committee will be responsible for determining priorities of application to be funded. Eligibility of applicants will typically be determined within 30 days of receipt of a complete application. An application will be considered complete when all information necessary for the Loan Committee to make a decision has been received.

7. Other information:

The Loan Committee will administer the RLF. The Tipton Development Commission will serve as the Loan Committee, which consists of two City Council members, two Chamber of Commerce Board members, two Tipton Economic Development Corp. Board members, and one at-large member. The Community Development Director will be an ex-officio member of the Loan Committee. A group of four local bankers, approved by the City Council, will serve as non-voting advisory members of the Loan Committee.

The advisory committee members will review the applicant's financial information in order to make a recommendation to the Loan Committee as to the financial strength of the applicant.

The professional recommendation of the advisory committee members, as bankers, will be used as part of the Committee's decision to recommend approval or denial of the request to City Council. The Tipton Development Commission, as an official City commission, will not view the submitted financial information of the applicant.

The Community Development Director shall be responsible for the day-to-day administration requirements of the RLF.

It is agreed between the Loan Committee and the applicant that all financial information will remain confidential and shall not be revealed in any public forum.

**CITY OF TIPTON
REVOLVING LOAN FUND APPLICATION**

Date of application _____

Applicant's name _____

Mailing address _____

Telephone _____
(Home) (Work) (e-mail)

Project address _____

Does the applicant own the building? Yes No

If no, who does own the building? _____

Owner's address _____

Owner's telephone _____

Describe proposed project specifically: (attach additional sheets if necessary)

Proposed starting date: _____

Proposed completion date: _____

Amount of funds requested: _____

Estimated cost of project: _____

Provide a brief outline of project costs

List current assessed valuation of project property: _____

Please list the source and amount of all other funds to be supplied by the applicant or other public or private sources (use additional sheets if necessary):

<u>Source</u>	<u>Amount</u>
_____	_____
_____	_____
_____	_____
_____	_____

If the project property has been vacant, state how long _____

Is the project property properly zoned for the business? _____

If a zoning change is pending, cite application number and present status. If application has not been made, briefly describe what change will be needed and plans for submitting application.

Number of years the applicant has been in business _____

Names and addresses of contractors and/or architect used for the proposed project.

Number of new jobs (if any) the proposed project will create: _____

Number of existing jobs proposed project will preserve: _____

Applicant should be aware that additional financial data may be required if requested by the Loan Review Committee. Applicant should also be aware that no application will be considered if expenditures are incurred prior to approval of the application.

The undersigned applicant affirms that the information submitted herein is true and accurate to the best of my (our) knowledge. I (we) have read and understand the conditions of the City of Tipton Revolving Loan Fund and agree to abide by its conditions and guidelines.

Signature of Applicant Date

Signature of Applicant Date

*****IMPORTANT NOTICE*****

In order to meet the requirements of the Federal Register Vol. 62 No. 210, Revision to the Standards for the Classification of Federal Data on Race and Ethnicity, all application forms for Rural Development financed programs must include below the signature and date block the following disclosure statement:

“The following information is requested by the Federal Government for certain types of loans, in order to monitor the lender’s compliance with equal credit opportunity. You are not required to furnish this information, but are encouraged to do so. The law requires that a lender 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, this lender is required to note race/ethnicity on the basis of visual observation or surname. If you do not wish to furnish the above information, please check the box below.”

_____ I do not wish to furnish this information.

Ethnicity:

Hispanic or Latino _____

Not Hispanic or Latino _____

Race: (Mark one or more)

White _____ Black or African American _____

American Indian/Alaska Native _____ Asian _____

Native Hawaiian or Other Pacific Islander _____

More than one race _____

Gender: Male _____ Female _____

Borrowers/managers/providers shall provide the number of respondents in each racial category who are Hispanic or Latino. You are strongly encouraged to provide detailed distributions, including all possible combinations of multiple responses to the race question. At a minimum, the total number of respondents reporting “more than one race” shall be made available.

REQUIRED ATTACHMENTS
[check each one submitted, if not submitted, explain why]

BUSINESS SUBMISSIONS

- _____ Profit and loss statements and balance sheet for past three years
- _____ Personal financial statements
- _____ Documentation of commitment of all proposed project funds from banks, community, business, state, etc.
- _____ Documentation of the current number of employees
- _____ Documentation authorizing company officials to execute application and necessary loan documents, if approved
- _____ Federal identification number _____
- _____ DUNS # _____
- _____ If no Federal identification number than Social Security number _____

Documentation Release Form

This information and the information provided on all accompanying financial statements and schedules is provided for the purpose of obtaining credit for the Applicant(s) or for the purpose of Applicant(s) guaranteeing credit for others. Applicant(s) acknowledge that representations made in this statement will be relied on by Creditor in its decision to grant such credit. This Statement is true and correct in every detail and accurately represents the financial condition of the Applicant(s) on the date given below. Creditor is authorized to make all inquiries it deems necessary to verify the accuracy of the information contained herein and to determine the creditworthiness of the Applicant(s). Applicant(s) will promptly notify Creditor of any subsequent changes which would affect the accuracy of this Statement. Creditor is further authorized to answer any questions about Creditor's credit experience with Applicant(s). Applicant(s) are aware that any knowing or willful false statements regarding the value of the above property for purposes of influencing the actions of Creditor Can be a violation of federal law, 18 U.S.C. & 1014, and may result in a fine or imprisonment or both. In addition, each individual signing below authorizes the Creditor to check their individual credit account and employment history and have a credit reporting agency prepare a consumer credit report on them.

By signing below, the undersigned agree(s) to all the terms and conditions of this Application.

Applicant: _____ Date: _____

Applicant: _____ Date: _____

USDA Non-Discrimination Statement

"In accordance with Federal Law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age or disability. (Not all prohibited bases apply to all programs.)

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (800) 795-3272 (voice), or (202) 720-6832 (TDD)"

"De acuerdo con la Ley Federal y la política del Departamento de Agricultura de los Estados Unidos, a esta Institucion se le prohíbe discriminar por razones de raza, color, origen nacional, sexo, edad, incapacidad física o mental. (no todas las prohibiciones aplican a todos los programas).

Para radicar una querrela sobre discriminacion, escriba a : USDA, Director, Oficina de Derechos Civiles, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 o llame al (800) 795-3272 (voz), o (202) 720-6832 (TDD)"

REQUEST FOR ENVIRONMENTAL INFORMATION

Name of Project

Location

Item 1a. Has a Federal, State, or Local Environmental Impact Statement or Analysis been prepared for this project?

Yes No Copy attached as EXHIBIT I-A.

1b. If "No," provide the information requested in Instructions as EXHIBIT I.

Item 2. The State Historic Preservation Officer (SHPO) has been provided a detailed project description and has been requested to submit comments to the appropriate Rural Development Office. Yes No Date description submitted to SHPO _____

Item 3. Are any of the following land uses or environmental resources either to be affected by the proposal or located within or adjacent to the project site(s)? (Check appropriate box for every item of the following checklist).

	Yes	No	Unknown		Yes	No	Unknown
1. Industrial.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19. Dunes.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Commercial.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20. Estuary.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Residential.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21. Wetlands.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Agricultural.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22. Floodplain.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Grazing.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	23. Wilderness..... (designated or proposed under the Wilderness Act)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Mining, Quarrying.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24. Wild or Scenic River..... (proposed or designated under the Wild and Scenic Rivers Act)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Forests.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25. Historical, Archeological Sites..... (Listed on the National Register of Historic Places or which may be eligible for listing)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Recreational.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	26. Critical Habitats..... (endangered/threatened species)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Transportation.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	27. Wildlife.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Parks.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	28. Air Quality.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Hospital.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	29. Solid Waste Management.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Schools.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	30. Energy Supplies.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Open spaces.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	31. Natural Landmark..... (Listed on National Registry of Natural Landmarks)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Aquifer Recharge Area.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	32. Coastal Barrier Resources System.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Steep Slopes.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
16. Wildlife Refuge.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
17. Shoreline.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
18. Beaches.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Item 4. Are any facilities under your ownership, lease, or supervision to be utilized in the accomplishment of this project, either listed or under consideration for listing on the Environmental Protection Agency's List of Violating Facilities? Yes No

(Date)

Signed: _____

(Applicant)

(Title)