

**GUIDELINES FOR THE
LACON REVOLVING LOAN FUND - INDIVIDUAL BUSINESS APPLICATION
PROCESS**

INDIVIDUAL BUSINESS APPLICATION PROCESS

1. POTENTIAL BORROWER CONTACTS LACON CITY HALL REPRESENTATIVE OF THE REVOLVING LOAN COMMITTEE TO DETERMINE ELIGIBILITY (INITIAL MEETING, POTENTIAL BORROWER EXPLAINS PROJECT, CITY REPRESENTATIVE EXPLAINS PROGRAM CRITERIA IN DETAIL). PROGRAM GUIDELINES/APPLICATION FORM WILL BE AVAILABLE AT THE LACON CITY HALL.
2. POTENTIAL BORROWER MAKES DETERMINATION TO PURSUE RLF LOAN.
3. POTENTIAL BORROWER SUBMITS COMPLETED AND SIGNED APPLICATION, (APPLICATION REQUIRED INFORMATION ON TOTAL PROJECT COSTS, NUMBER OF JOBS CREATED/RETAINED, LOW/MODERATE INCOME PERSON BENEFIT, TYPES OF JOBS AND WAGE SCALES, JOB CREATION TIME FRAME, AND USE OF JTPA AND JOB SERVICE). COMMITTEE REFERS POTENTIAL BORROWER TO THE FIRST NATIONAL BANK OF LACON ONCE ELIGIBILITY HAS BEEN DETERMINED AT MEETING.
4. POTENTIAL BORROWER MEETS WITH BANK LOAN OFFICER, EXPLAINS PROJECT. BANK LOAN OFFICER EXPLAINS CREDIT ANALYSIS REQUIREMENTS, GIVES POTENTIAL BORROWER AN APPLICATION FORM (IF APPLICABLE).
5. BANK LOAN OFFICER REVIEWS THREE (3) YEARS OF TAX STATEMENTS, BALANCE SHEETS, AND PROFIT AND LOSS STATEMENTS (AS WELL AS THE MOST RECENT 90-DAY STATEMENTS OF THE SAME), PRINCIPALS, PERSONAL FINANCIAL STATEMENTS, AND PROJECT EARNING REPORTS (2 YEARS). IF A START-UP, A BUSINESS PLAN AND MARKET FEASIBILITY INFORMATION IS REQUIRED IN LIEU OF FINANCIAL STATEMENTS.
6. BANK MAKES CREDIT DECISION. IF BORROWER APPROVED, FIRM FINANCIAL COMMITMENT LETTER FROM BANK ISSUED TO BORROWER CONTAINING THE FOLLOWING INFORMATION:
 - * STATEMENT OF LOAN APPROVAL BY AN AUTHORIZED BANK OFFICER OR COMMITTEE.
 - * SPECIFIED DOLLAR AMOUNT OF BANK LOAN.
 - * SPECIFIED LOAN TERM.
 - * SPECIFIED INTEREST RATE.
 - * COLLATERAL OR SECURITY REQUIREMENTS.
 - * OTHER SPECIAL CONDITIONS OF THE LOAN.

IF A BANK REVIEW OF THE FINANCIAL INFORMATION REVEALS THE PROJECT IS UNFEASIBLE FINANCIALLY, IT WILL BE REJECTED ON THAT BASIS.

7. UPON SECURING BANK COMMITMENT LETTER, BORROWER FORWARDS IT AND THE FOLLOWING INFORMATION TO THE LACON REVOLVING LOAN COMMITTEE.
 - * SIGNED APPLICATION FORM.
 - * BORROWER LETTER OF COMMITMENT DETAILING THE FOLLOWING INFORMATION:
 - DESCRIPTION OF PROJECT.
 - TOTAL PROJECT COST.
 - NUMBER OF JOBS CREATED/RETAINED AND BENEFIT TO LOW/MOD INCOME PERSONS.
 - TYPE OF JOBS TO BE CREATED AND WAGE SCALES.
 - TIME FRAME FOR JOB CREATION.
 - POTENTIAL USE OF JTPA TRAINING PROGRAMS.
 - NAME OF BANK MAKING COMMITMENT (ATTACH LETTER).
 - AMOUNT OF EQUITY IF START-UP BUSINESS.
 - STATEMENT THAT BORROWER CAN BEGIN PROJECT IMPLEMENTATION IMMEDIATELY UPON RLF LOAN APPROVAL.

8. UPON RECEIPT OF THE COMMITMENT LETTERS AND APPLICATION FORMS, THE LACON RLF COMMITTEE AGAIN MEETS AND CERTIFIES THAT THE PROJECT HAS MET THE GUIDELINES FOR USE OF THE RLF MONIES. APPROVED BORROWERS WILL THEN ENTER INTO A WRITTEN LOAN AGREEMENT WITH THE CITY OF LACON. AS RLF MONIES ARE RECAPTURED (PRINCIPAL AND INTEREST) ADDITIONAL LOANS WILL BE MADE IN THE SAME MANNER AS HAS BEEN DESCRIBED. ALL LOAN REVIEW AND UNDERWRITING DECISIONS SHALL BE THE RESPONSIBILITY OF THE FIRST NATIONAL BANK OF LACON WHICH IS COOPERATING WITH THE BORROWER. PROVIDED THAT THE BANK APPROVES THE PROJECT, THE FINAL DECISION AS TO THE USE OF THE RLF IN CONJUNCTION WITH BANK FINANCING SHALL BE MADE BY THE LACON RLF COMMITTEE.