

Fayette County

Economic Development



101 North Vine Street ♦ West Union, IA 52175 ♦ 563-422-5073 ♦ 800-477-5073 ♦ Fax 563-422-6322

FAYETTE COUNTY ECONOMIC DEVELOPMENT COMMISSION LOCAL REVOLVING LOAN FUND (LRLF)

Purpose: The purpose of the Fayette County Economic Development (FCEDC) Local Revolving Loan Fund (LRLF) is to provide micro-financing to new and expanding businesses for which credit is not otherwise available on terms and conditions, which permit completion and/or the successful operation of proposed business activities.

Eligible Projects: Any business site renovation, business improvement or start-up project in Fayette County is an eligible project. Project activities which can be funded with LRLF funds include, but are not limited to: building remodeling, machinery & equipment, furniture & fixtures, and working capital for business start-up and expansion activities.

Eligible Applicants: Applicants eligible for LRLF funds include, but are not limited to: individuals, partnerships, businesses, corporations, and non-profit organizations in Fayette County. Municipalities and county governments are not eligible applicants.

Application Procedure: Applications for the LRLF will be accepted by FCEDC on a continuous basis. The FCEDC Loan Review Committee will review completed applications within 30 days of receipt. Applicants will be formally notified of approval, contingency approval, or denial within 10 days of the review. To apply, applicants will need to submit an LRLF application to the Commission at the address listed at the top of this page. Further material may be requested upon receipt of this application for review by the Loan Review Committee, including but not limited:

1. Completed Business Plan
2. Completed Personal Financial Statement (form is enclosed)
3. Existing businesses: Completed Business Balance Sheet and Profit and Loss Statement (form is enclosed)
4. Individual and Business Tax Returns (if applicable) for the past 3 years
5. Income Statement, Balance Sheet, and Cash Flow Projections for next 3 years. Cash Flow Projection should be monthly for first year, quarterly for second, and annual for third.
6. Resumes of owners/principal managers

PROGRAM CRITERIA:

1. Project must involve a minimum of 10% personal or business equity.
2. Applicant can apply for up to 90% of the total project costs.
3. Minimum loan is \$500, maximum loan is \$7,500.
4. Interest Rate is 3%.
5. The maximum term of the loan is 2 years. The loan may be amortized over a shorter term.
6. The Fayette County Economic Development Commission reserves the right to recall any LRLF loan if the above requirements are not met.

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APPLICATION REQUIREMENTS:

1. A one (1%) percent loan origination fee will be collected at the time of loan closing. Fees are to cover administrative costs of the program.
2. One or more of the following will secure a revolving loan: a secondary mortgage on real estate; a lien on fixtures, furnishing, machinery, and equipment; a personal or corporate guarantee.
3. Borrower will be required to sign a promissory note.
4. Revolving loan funds cannot be used for refinancing existing debt.
5. Most revolving loans will be repaid in equal monthly payments. Loan amortization will be based on the needs of the borrower.

Approved borrowers will be subject to the following:

- A. Certificate of hazard and liability insurance
- B. Lender's loss payable endorsement
- C. Annual site visits

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Application

Name of Applicant: _____ Date: _____

Business Address: _____ Business Phone: _____

City: _____ State: _____ Zip: _____ Home/Cell: _____

Birthdate (for credit check purposes): _____

Social Security Number (for credit check purposes): _____

Amount Requested (Maximum \$7500): _____ Other Financing? Yes No

Source and amount, if yes: _____

Business Organization (Circle one):

Sole Proprietor

Partnership

Corporation Type: _____

Name of Owner #1: _____

Name of Owner #2: _____

Home Address: _____

Home Address: _____

City, State, Zip: _____

City, State, Zip: _____

Declarations:

Have there been judgements or injunctions against the company or owners? _____

Has the company or owners of the company ever filed bankruptcy? _____

Are the company or the owners currently delinquent on State or Federal Taxes? _____

Has the company or the owners of the company ever defaulted on a loan commitment, development agreement, or any other business subsidy? _____

Please describe the projected use of funds:

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CERTIFICATIONS

Please read the following and sign the Application form below. All owners, officers or partners must sign this Application.

The information provided in this Application is accurate to the best of my knowledge. I understand that personal and/or business information may be requested pursuant to this Loan Application, and I hereby give my consent for such information to be provided. I also understand that the Lender retains the sole decision as to whether this Loan Application is approved, denied, or modified. It is my right to accept or decline the loan amount, rate and terms approved by the Lender. **I understand that credit reports may be obtained in connection with this application.** Upon my request, I will be informed whether or not credit reports were obtained, and if so, the name and address of the consumer reporting agency that furnished the report. I certify that neither I, nor my business, have been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. I certify that I am not late by 60 days or more on any child support payments.

Name of Applicant (print) _____

Signature of Applicant: _____ Date: _____

Name of Applicant (print) _____

Signature of Applicant: _____ Date: _____