



Intermediary Re-lending Program (IRP)

Limitations

- IRP loans cannot exceed 75% of total project cost.
- IRP loans cannot exceed \$250,000
- Land/Buildings: 15-20 years
- Machinery and Equipment: Useful life
- Working Capital: 5-7 years

Terms

- Current interest rate at 4.5% (3.5 points below the prime rate as quoted in the Wall Street Journal daily on the date of loan approval by the Loan Review Committee)
- Special interest rate of 3.99% for 5 years when 50% of loan amount funded by local bank; after 5 years interest rate adjusts to the current rate (at the time of closing)

Preferences

- Jobs created and/or retained
- Percentage of total project financed with IRP funds (the lower the better)
- Creating opportunities for training and advancement
- Jobs targeted to low and moderate income individuals

In accordance with Federal Law and U.S. Department of Agriculture (USDA) policy, SIDEZ is prohibited from discriminating on the basis of race, color, national origin, age, disability, religion, sex, and familial status. To file a complaint of discrimination, write to: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call 800-795-3272 (voice) or (202) 720-6382 (TDD).

Costs

- A \$100 nonrefundable application fee submitted with application
- Closing Fee of \$500 (can be financed)
- Applicant pays all other closing costs such as environmental expenses, recording fees, title commitment fees for real estate, credit bureau report fees, legal fees, etc. (can be financed)
- Applicant is required to have a declining term life insurance policy in the amount of the loan, payable to SIDEZ, unless additional collateral is available (subject to Rural Development approval)
- Applicant must also maintain replacement value insurance on all equipment, property and/or machinery in at least the value of the equipment, property or machinery

Process (approximately 60 days)

- Request loan application and meet with SIDEZ Financial Officer to review loan requirements.
- SIDEZ strongly recommends that applicant obtain a free credit report at www.annualcreditreport.com and review report for errors prior to submitting application. Note that the SIDEZ credit report provider is Transunion.
- Application is received with \$100 application fee. Applications must be received in the SIDEZ office by the 20th of the month to be considered at the following month's board meeting (third Thursday of each month).
- If application is for re-financing and/or between \$150,001-250,000, the application is first evaluated by the SIDEZ Executive Committee for portfolio compatibility.
- All applications are forwarded to SIDEZ Loan Review Committee. If application is approved by SIDEZ Loan Review Committee, then the application will be forwarded to SIDEZ Board of Directors with recommendations.
- SIDEZ Board of Directors will review Loan Review Committee recommendations and make decision.
- Applicant will be notified in writing within 10 business days of the Board's decision.
- Application forwarded to USDA Rural Development for loan concurrence.
- Environmental Review forwarded to Rural Development and State Historic Preservation Officer for approval (if necessary).
- Loan documents written.
- SIDEZ's legal counsel and borrower's legal counsel review loan documents and issue opinion letters on the documents.
- Loan documents executed and proceeds distributed.
- Loans must be closed within 90 days of approval; otherwise a new application along with an additional application fee must be submitted.

SIDEZ IS AN EQUAL OPPORTUNITY LENDER, PROVIDER AND EMPLOYER



Southernmost Illinois Delta Empowerment Zone, Inc * 330 Enterprise Lane * Suite 110 * Mounds, Illinois * 62964
618-745-6307 * Fax: 618-745-6360 * www.sidez.org * acox@sidezoffice.org

**Intermediary Re-lending Program
Loan Application**

Organizational Information

Business Name _____

Business Location _____
(Physical Location) Street City State

Mailing Address _____
 Street/P.O. Box City State Zip

Telephone _____ Fax _____

Business Tax Identification Number _____ D.U.N.S. Number _____ (required)

Business Organization Type:

_____ Sole Proprietorship _____ Limited Partnership _____ "S" Corporation
_____ General Partnership _____ Private Corporation _____ Public Corporation

Business Incorporation State _____ Date _____

Is Business Wholly or Partially Owned by Any Other Business?

___ No ___ Yes (Explain) _____

List All Primary Owners (3% or More)

1. _____

Name	Social Security Number	Address	Percentage of Ownership
<u>Race</u> <input type="checkbox"/> American Indian/Alaskan Native <input type="checkbox"/> Asian <input type="checkbox"/> Black/African American <input type="checkbox"/> White <input type="checkbox"/> Hawaiian/Pacific Islander			
<u>Ethnicity</u> <input type="checkbox"/> Hispanic/Latino <input type="checkbox"/> Non-Hispanic/Non-Latino <u>Sex</u> <input type="checkbox"/> Male <input type="checkbox"/> Female			

2. _____

Name	Social Security Number	Address	Percentage of Ownership
<u>Race</u> <input type="checkbox"/> American Indian/Alaskan Native <input type="checkbox"/> Asian <input type="checkbox"/> Black/African American <input type="checkbox"/> White <input type="checkbox"/> Hawaiian/Pacific Islander			
<u>Ethnicity</u> <input type="checkbox"/> Hispanic/Latino <input type="checkbox"/> Non-Hispanic/Non-Latino <u>Sex</u> <input type="checkbox"/> Male <input type="checkbox"/> Female			

3. _____

Name	Social Security Number	Address	Percentage of Ownership
<u>Race</u> <input type="checkbox"/> American Indian/Alaskan Native <input type="checkbox"/> Asian <input type="checkbox"/> Black/African American <input type="checkbox"/> White <input type="checkbox"/> Hawaiian/Pacific Islander			
<u>Ethnicity</u> <input type="checkbox"/> Hispanic/Latino <input type="checkbox"/> Non-Hispanic/Non-Latino <u>Sex</u> <input type="checkbox"/> Male <input type="checkbox"/> Female			

Race, ethnicity and sex of business owners is requested by SIDEZ to assure the Federal Government, acting through USDA Rural Development, that Federal Laws prohibiting discrimination against applicants on the basis of race, color, national origin, religion, sex, marital status, age and handicap are complied with. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, SIDEZ is required to note the race, ethnicity and sex of individual applicants on the basis of visual observation or surname.

Management Personnel

	Name	Mailing Address	Phone Number
Business Manager	_____	_____	_____
Accountant/CPA	_____	_____	_____
Auditing Firm	_____	_____	_____
Legal Counsel	_____	_____	_____
Financial Institution	_____	_____	_____

(Contact Name & Institution Name)

Financial Records

Please provide one (1) copy of:

The Business:

- (A) Audit reports* prepared by a certified auditor, **or**
- (B) Federal and State Income Tax Returns *, **and**
- (C) Complete year-end Income and Balance Sheets* prepare by CPA or accountant.

*Please provide the latest three years available

Primary Owners:

- (A) Personal Financial Balance Sheet, **and**
- (B) Federal and State Income Tax Returns for last 2 years.

Project Information

Business Plan and Projections

I. Please Provide a Complete Business Plan for the project.

Written Business Plan should include the following components:

Business Description

History of Business, if applicable

Marketing Plan, which should include the following:

1. Geographic market area for the business (national, regional, local)
2. Customers that the business will target (businesses, consumers, residents, manufacturers, retailers, etc.)
3. Types and to what extent you have completed market studies for the business; describe scope, sample sizes, and statistical conclusions.

Competition

Resumes

Organizational Plan

Source & Use of Funds

Start-up/Expansion Expenses

Monthly Operating Expenses

Personal Financial Statement

II. Please Provide Projected Income and Balance Sheets for the project for the first two full years of operation.

III. Describe the project's overall impact on the surrounding community (i.e., increased traffic, generation of retail sales and real estate taxes to the community, environmental impact, quality of life, etc.)

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IV. Please sign the attached USDA Form 1940-20.

Summary of Project Costs

Land Acquisition	\$ _____	_____ %
Building Acquisition	\$ _____	_____ %
Building Rehabilitation	\$ _____	_____ %
New Construction	\$ _____	_____ %
New Machinery and Equipment	\$ _____	_____ %
Used Machinery and Equipment	\$ _____	_____ %
Architectural and Engineering	\$ _____	_____ %
Legal and Professional	\$ _____	_____ %
Contingency/Working Capital	\$ _____	_____ %
Other _____	\$ _____	_____ %
Total Project Cost	\$ _____	100%

Sources of Funds

Owner/Business Contribution	\$ _____	_____ %
Bank Financing	\$ _____	_____ %
SIDEZ Loan (this application)	\$ _____	_____ %
Other Sources	\$ _____	_____ %
Total Sources of Funds	\$ _____	100%

Description of Real Estate

	Existing	New
Number of Buildings	_____	_____
Square Footage	_____	_____
Type of Structure (Masonry, Metal, or Wood Frame)	_____	_____
Office Space (Square Footage)	_____	_____
Showroom Space	_____	_____
Shop Space	_____	_____
Warehouse Space	_____	_____

Employment Forecast Information

<u>Number of Employees</u>	Current	Year 1	Year 2	Year 3
Professional**	_____	_____	_____	_____
Clerical/Administrative**	_____	_____	_____	_____
Skilled**	_____	_____	_____	_____
Semi-skilled**	_____	_____	_____	_____
Unskilled**	_____	_____	_____	_____
Other**	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____
Annual Payroll	_____	_____	_____	_____
Number of LMI*	_____	_____	_____	_____

**Number of jobs likely to be filled by those who are currently low income.*

****Please include a listing of job titles and associated numbers for jobs created and retained.**

Please list assumptions used for employment projections. If jobs are retained jobs, explain how these jobs would be eliminated if project is not completed (attached sheets as necessary):

Owner/Business Contribution

List all business owners who are contributing money to the project. Include the amount they are contributing, also indicate if it is capital or in-kind contributions.

Name	Amount of Money	Type (cash, in-kind work, etc.)
1.		
2.		
3.		
4.		

Bank Financing

Name of Bank _____

Address _____

Phone number _____ Contact Name _____

Amount Financed _____ Term _____

Interest Rate _____ Payment Method and Amount _____
(Monthly, Quarterly, Annual, etc.)

1st Payment Due _____

Other Financing Sources

Name of Source _____

Address _____

Phone number _____ Contact Name _____

Amount Financed _____ Term _____

Interest Rate _____ Payment Method and Amount _____
(Monthly, Quarterly, Annual, etc.)

1st Payment Due _____

SIDEZ Loan Information

Amount of Loan Request _____

Term Request _____

Requested Payment Method _____
(Monthly, Quarterly, Annual)

Requested 1st Payment _____

Collateral Description

A one to one collateral match will be required.

Collateral will be valued as follows:

Real Estate: 90% of appraised value or purchase price, the lesser of the two

Machinery/Equipment: 75% of market value*

Inventory/Supplies: 50% of market value*

Accounts Receivable: 60% of book value with a maximum of 90 days past due

Include cost estimates for equipment and machinery.

Appraisals for real estate must be submitted to SIDEZ by the appraiser.

Please provide a legal description (preferably a copy of the property warranty deed) for real estate.

*Market value – purchase price or replacement cost – **must be documented.**

Type of Collateral	Value	SIDEZ Lien Position
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____



START UP/EXPANSION COSTS

	\$
Land Acquisition	\$
Building Acquisition	\$
Building Rehabilitation	\$
Building Construction	\$
New Machinery & Equipment	\$
Used Machinery & Equipment	\$
Inventory	\$
Supplies	\$
Working Capital	\$
Other _____	\$
Total Project Costs	\$

Sources of Funds	
	\$
Owner Contribution	\$
SIDEZ	\$
Other Sources	\$
	\$
Total Sources of Funds	\$

**Monthly Operating Statement
INCOME & EXPENSES**

Line Item	Amount
<u>Income</u>	
Sales	\$
Less Cost of Materials	\$
Total Income	\$
<u>Expenses</u>	
Employee Salaries/Wages	\$
Payroll Taxes	\$
Repairs and Maintenance	\$
Advertising	\$
Supplies	\$
Utilities (Water, Gas, etc.)	\$
Telephone	\$
Accounting and Legal	\$
Rent	\$
Taxes	\$
Insurance	\$
Loan Payment (principal & interest)	\$
Miscellaneous	\$
License & Fees	\$
Total Expenses	\$
Net Profit (Income Less Expenses)	\$

**Annual Operating Statement
INCOME/EXPENSES**

Line Item	Amount
<u>Income</u>	
Sales	\$
	\$
Less Cost of Materials	\$
	\$
Total Income	
<u>Expenses</u>	
Employee Salaries/Wages	\$
	\$
Payroll Taxes	\$
	\$
Repairs and Maintenance	\$
	\$
Advertising	\$
	\$
Supplies	\$
	\$
Utilities (Water, Gas, etc.)	\$
	\$
Telephone	\$
	\$
Accounting and Legal	\$
	\$
Rent	\$
	\$
Taxes	\$
	\$
Insurance	\$
	\$
Loan Payment (principal & interest)	\$
	\$
Miscellaneous	\$
	\$
License & Fees	\$
	\$
Total Expenses	\$
	\$
Net Profit (Income Less Expenses)	

Personal Financial Statement for:

_____ (name)

Complete this form for each proprietor, partner or any other person providing guaranty on the loan.

As of _____, 20__

Assets		Liabilities	
Cash and Savings	\$ _____	Accounts Payable	\$ _____
IRA Or Retirement Account	\$ _____	Credit Cards (Total)	\$ _____
Life Insurance (Cash Value)	\$ _____	Auto Installment Account	\$ _____
Stocks & Bonds	\$ _____	Real Estate Payable	\$ _____
Automobiles Machinery &	\$ _____	Loan on Life Insurance	\$ _____
Equipment	\$ _____	Unpaid Taxes	\$ _____
Real Estate	\$ _____	Other Liabilities	\$ _____
Other Personal Property	\$ _____	Total Liabilities	\$ _____
Total Assets	\$ _____	Net Worth (total assets minus total liabilities)	\$ _____

Sources of Income

Salary \$ _____ Source of Salary _____

Net Investment Income \$ _____

Real Estate Income \$ _____

Other Income (describe below) \$ _____

Description of Other Income _____

*Alimony or Child Support Payments Do Not Need to Be Disclosed in Other Income Unless It is Desired to Have Such Payments Counted Towards Income



Notes Payable to Bank & Others

Name & Address of Noteholder	Original Balance	Current Balance	Payment Amount & Frequency	Collateral

Contingent Liabilities

Describe Any Liabilities for which you are an Endorser or Co-Maker

Real Estate Owned (List each parcel separately. Use a separate sheet if more room is needed.)

	Property A	Property B	Property C
Type of Property			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Balance			
Payment Amount & Frequency			

Other Personal Property & Assets

Describe and list values.



Other Liabilities

Describe in detail, including amount and to whom liability is owed, if payments are being made, amount and frequency.

Have you ever filed for bankruptcy? If so, when? _____

Certifications

Please Provide Documentation evidencing existence of business entity and authorization to enter into the loan. Submit the following as appropriate:

I. For Corporation

- A. Articles and Certificate of Corporation
- B. Secretary’s Certificate of Board of Director’s resolution authorizing the loan.
- C. Copy of Corporate by-laws
- D. Current Certificate of Good Standing from Illinois Secretary of State

II. For Partnership

- A. Certificate of General or Managing Partner Authorizing Loan
- B. Certificate of Partnership (for Limited Partnerships)
- C. Copy of Partnership Agreements
- D. Certificate of Good Standing (for Limited partnerships)
- E. Copy of Filed Assumed Name

III. Sole Proprietorships

- A. Operating Licenses/ DBA Certification
- B. Copy of Filed Assumed Name

Claims

I (we) hereby certify that all information contained herein is true and correct. This application has been duly authorized by the Board of Directors, Principal Partners or Sole Owner of the business on behalf of which the application is made. The applicant will comply with all certifications and requirements necessary for fulfillment of the loan terms.

I (we) hereby grant permission to Southernmost Illinois Delta Empowerment Zone to collect information concerning the credit history of the business, primary owners, or partners for the sake of evaluating the credit worthiness of this application. The collection may include, but not be limited to credit bureau reports, contact with credit references, and correspondence with applicant’s financial institution or any other agency involved with this application process.

To my (our) knowledge, the collateral listed does not have any previous liens. (If collateral does have a previous lien, and you are offering SIDEZ a first lien position, please provide an explanation of the conditions of that lien and the anticipated date it will be terminated.)

Authorized Signature

Name and Title

Date

Authorized Signature

Name and Title

Date

