

**Southernmost Illinois Delta Empowerment Zone, Inc.
Micro Enterprise Revolving Loan Fund
Program Requirements**

Requirements and Terms for Loans Up to \$5,000

- ✓ Loan funds can be used to purchase machinery, equipment, working capital, construction or acquisition of buildings or property.
- ✓ Maximum term of 5 years.
- ✓ Complete sections of the application form listed on document checklist

Requirements and Terms for Loans between \$5,001 and \$30,000

- ✓ Loan funds used to purchase machinery, equipment and for working capital may be borrowed for up to 5 years.
- ✓ Loan funds used for construction or acquisition of buildings or property may be borrowed for up to 15 years.
- ✓ Submit a completed business plan along with the attached application form. The Business Plan submitted must be developed with technical assistance from the Shawnee Community College Small Business Development Center, Southern Illinois University Small Business Development Center, U of I Extension, a Certified Public Accountant, etc.
- ✓ Complete sections of the application form listed on the document checklist.
- ✓ Loans must be closed within 90 days of approval or a new application along with application fee must be submitted.

Requirements and Terms for ALL Loans

- ✓ Interest is fixed at 4.5%
- ✓ Owner/Partners must contribute 10% equity in the project.
- ✓ A \$50 non-refundable application fee must accompany the application when it is submitted to the SIDEZ office.
- ✓ A 1% closing fee will be charged at the time the loan is closed. This fee may be added to the loan amount if needed.
- ✓ Applicant will pay for all other closing fees including recording fees, filing fees, search fees, etc.
- ✓ There must be sufficient collateral to cover the loan.
- ✓ Replacement value insurance should be maintained on all equipment, property, or machinery in at least the value of the equipment, property, or machinery.

Approval Process

Step 1

Request loan application and meet with SIDEZ Financial Officer to review loan requirements. Meet with agency to develop business plan if required. Compile information needed for application.

Step 2

Submit loan application and required documents with \$50 application fee to SIDEZ office. Application must be received in the SIDEZ office by the 20th of the month to be considered at the following month's Board of Directors meeting. Board meetings are held on the third Thursday of each month.

Step 3

Application will be presented to SIDEZ Loan Review Committee.

Step 4

Upon approval of the Loan Review Committee, the loan is presented to the SIDEZ Board of Directors for final approval.

Step 5

Letter of terms and conditions is signed by borrower and SIDEZ. When conditions of the letter are met, loan will be made. Applicant attends loan closing.

Contact Southernmost Illinois Delta Empowerment Zone, Inc. (SIDEZ), 330 Enterprise Lane, Suite 110, Mounds IL 62964; phone (618) 745-6307; www.sidez.org.

Micro Enterprise Revolving Loan Fund Document Checklist

Please use this checklist to determine what sections of the application and what additional documentation you are **required** to submit.

Loans Up to \$5,000

Application Form

- Section 1
- Section 2
- Section 4
- Section 5
- Section 6
- Section 7
- Section 8
- Section 9
- Section 10 (provide for all guarantors, partners and owners)
- Section 11

State and Federal Personal Tax Returns (Provide copies for the past 2 years, also provide for all guarantors, partners and owners. If not required to file taxes, you must submit copies of W-2 along with explanation about why you were not required to file.)

Loans between \$5,001 - \$30,000

Application Form

- Section 1
- Section 2
- Section 3
- Section 5
- Section 6
- Section 7
- Section 8
- Section 9
- Section 10 (provide for all guarantors, partners and owners)
- Section 11

Business Plan (should include the following components)

- Business Description
- History of Business, if applicable
- Marketing Plan, including the following
 1. Description of geographic market area.
 2. Description of targeted customers.
- Competition
- Resumes
- Licenses/Certifications to Conduct Business/Permits (if applicable)
- Start Up/Expansion Expenses
- Monthly & Annual Operating Expenses

State and Federal Personal Tax Returns (Provide copies for the past 2 years, also provide for all guarantors, partners and owners. If not required to file taxes, you must submit copies of W-2 along with explanation about why you were not required to file.)

- Business Tax Return (previous 2 years, if applicable)
- Year to Date Business Financial Statement (if applicable)
- Projected Income and Balance Sheets (for first two year's of operation)

Southernmost Illinois Delta Empowerment Zone, Inc. Microenterprise Loan Application

SIDEZ is an equal opportunity lender.

| Section 1 – General Information | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------|-----|
| Name | Phone () | | |
| Address | City | State | Zip |
| Social Security Number | Date of Birth | | |
| Race <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 <input type="checkbox"/> Other | | | |
| Ethnicity <input type="checkbox"/> Hispanic/Latino <input type="checkbox"/> Non-Hispanic/Non-Latino Sex <input type="checkbox"/> Male <input type="checkbox"/> Female <small>This information 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.</small> | | | |
| Business Name | Phone () | | |
| Address | City | State | Zip |
| Federal Tax ID Number | D.U.N.S. Number | | |
| Are Facilities Owned or Leased? _____ | Monthly Payment | | |
| Name of Landlord _____ | Phone () _____ | | |
| Business Structure <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> C Corporation <input type="checkbox"/> Limited Liability Corporation/Company/Partnership | | | |
| Section 2 – Additional Company Owners (Attach additional sheets if more room is needed.) | | | |
| Name | Phone () | | |
| Address | City | State | Zip |
| Social Security Number | Date of Birth | | |
| Name | Phone () | | |
| Address | City | State | Zip |
| Social Security Number | Date of Birth | | |
| Section 3 – Loan Information | | | |
| Amount Requested _____ How will you use the funds? | | | |
| Collateral _____ Value (Please submit an appraisal less than 12 months old for real estate) | | | |
| Section 4 – Business Information | | | |
| Amount Requested \$ _____ What Specific Items Will Be Purchased with Loan Proceeds and How Much do they Cost? _____ | | | |
| _____ | | | |
| _____ | | | |
| _____ | | | |

How Long Do You Expect it Will Take to Pay the Loan Back? (Month, years, etc. Please note that final terms will be determined by SIDEZ.) _____

How Often Would You Be Able to Make Payments? (Once a week, every other week, once a month, etc.) _____

Describe the Business You Want to Start _____

Where Will Your Business Be Located? _____

What Are Your Operating Hours? _____

Who are Your Customers? _____

Have You Had Any Special Training or Taken any Classes that have Expanded Your Knowledge About this Particular Kind of Business? If so, Please Describe. _____

How Do You Plan to Market Your Business? _____

List Your Competitors and What Their Strengths and Weaknesses Are:

Competitor #1: _____

Strengths: _____

Weaknesses: _____

Competitor #2: _____

Strengths: _____

Weaknesses: _____

Competitor #3: _____

Strengths: _____

Weaknesses: _____

Section 5- Credit References (Banks, Utilities, etc., do not include credit card companies. Please provide three credit references for each owner/partner on a separate sheet.)

| | |
|------|-----------|
| Name | Phone () |
|------|-----------|

| | | | | |
|---------|------|--------|-------|-----|
| Address | City | Vienna | State | Zip |
|---------|------|--------|-------|-----|

| | |
|------|-----------|
| Name | Phone () |
|------|-----------|

| | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------|--------|--------|
| Address | City | State | Zip | |
| Name | Phone () | | | |
| Address | City | State | Zip | |
| Section 6 - Owner's Equity (List all business owners who are contributing equity to the project. Include the value and type of equity, such as cash, equipment, etc.) | | | | |
| Name | Value \$ | Type | | |
| Name | Value \$ | Type | | |
| Section 7 – Primary Financial Institution (please list for each owner/partner, use a separate sheet of paper if necessary.) | | | | |
| Name | Phone () | | | |
| Address | City | State | Zip | |
| Primary Contact | Type of Account | | | |
| Section 8 – Business Start-Up/Expansion Costs & Sources of Funds (please complete the attached form) | | | | |
| | | | | |
| Section 9– Operating Expenses (Complete the attached Monthly and Annual Operating Statement) | | | | |
| | | | | |
| Section 10 – Personal Financial Statement (Complete the attached Financial Statement. Provide a Personal Financial Statement for all owners, partners and guarantors of the loan.) | | | | |
| | | | | |
| Section 11 - Employment Forecast Information | | | | |
| Number of Employees | Current | Year 1 | Year 2 | Year 3 |
| Skilled | _____ | _____ | | |
| Unskilled | _____ | _____ | _____ | |
| Full Time | _____ | _____ | _____ | |
| Part Time | _____ | _____ | _____ | |
| Job Titles & Descriptions: | _____ | | | |
| | _____ | | | |
| | _____ | | | |

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 | \$ |
| Southernmost Illinois Delta Empowerment Zone, Inc. | \$ |
| Other Sources | \$ |
| Total Sources of Funds | \$ |

**Monthly Operating Statement
INCOME & EXPENSES**

| Line Item | |
|------------------------------------------|-----------|
| Income | |
| Sales | \$ |
| Less Cost of Materials | \$ |
| Total Income | \$ |
| Expenses | |
| 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 | |
|------------------------------------------|-----------|
| Income | |
| Sales | \$ |
| Less Cost of Materials | \$ |
| Total Income | \$ |
| Expenses | |
| 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) | \$ |

Southernmost IL Delta Empowerment Zone Loan Information

Amount of Loan Request _____

Term Request _____

Requested Payment Method _____
(Monthly, Quarterly, Annual)

Requested 1st Payment _____

Collateral Description

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 |
|--------------------|-------|---------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Personal Financial Statement for

_____ (name)

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

As of _____, 200__

| 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 \$ _____ | Loan on Life Insurance \$ _____ |
| Machinery & 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 in 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 & List Values

Other Liabilities

Describe in Detail, Including Amount and To Whom Liability is Owed, if Payments are Being Made, Amount and Frequency

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 whom 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 the Southernmost Illinois Delta Empowerment Zone, Inc. 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 information may include, but not be limited to credit bureau reports, contact with credit references and correspondence with applicant's financial institution.

Signature

Printed Name

Date

Signature

Printed Name

Date

Signature

Printed Name

Date

Signature

Printed Name

Date