

Baudette Loan Fund

Standard Loan Fund
Application

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106 West Main

Baudette MN 56623

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1. Business Name, Address, and Telephone Number:

2. List 3 Business Credit References, Addresses, and Numbers:

a. _____ Telephone

b. _____ Telephone

c. _____ Telephone

3. Attach an explanation if the answer to any of the following is “Yes”:

- a. _____ Yes _____ No Have you or any officer or owner of your company ever been involved in bankruptcy or insolvency proceedings?
- b. _____ Yes _____ No Are you or any officer or owner of your business involved in any pending lawsuits or judgments?
- c. _____ Yes _____ No Does your business have any subsidiaries or affiliates? (Include financial statements with explanation).
- d. _____ Yes _____ No Do you buy from, sell to, or use the services of any concern in which someone in your company itself has a significant financial interest?

4. **Credit Otherwise Available**—Briefly describe why other sources of financing are not available on terms and conditions which permit completion and/or the successful operation of the project activities to be financed, for example, interest rates, terms risk, collateral, lending limits, ect.

5. Indebtedness (Furnish information on ALL BUSINESS debts, contracts, notes, and mortgages payable.)

Payable To	Original Amount	Original Date	Present Balance	Rate of Interest	Maturity Date	Monthly Payment	Collateral	Current/ Past Due
	\$		\$	%		\$		
	\$		\$	%		\$		
	\$		\$	%		\$		
	\$		\$	%		\$		
	\$		\$	%		\$		
	\$		\$	%		\$		

6. Sources and Uses of Funds (Indicate how funds would be used, by financing source.)

	Baudette Loan Fund	Owner Equity	Bank:	Other:	Other:	TOTAL
Property Acquisition						\$
Site Improvements						\$
Renovation						\$
New Construction						\$

	Baudette Loan Fund	Owner Equity	Bank:	Other:	Other:	TOTAL
Machinery and Equipment						\$
Inventory						\$
Working Capital						\$
Other:						\$
TOTAL	\$	\$	\$	\$	\$	\$
% of Project Cost	%	%	%	%	%	100%

7. Terms of Loan (Complete the following for each financing source.)

	Baudette Loan Fund	Bank:	Other:	Other:
Term (# of Years)				
Interest Rate	%	%	%	%
Annual Debt Service	\$	\$	\$	\$
Has Final Approval?				
Guarantees (Personal)				
Collateral (real estate, fixed assets, ect.)				
Lien Position (1 st , 2 nd)				

8. Management Information (List proprietors, partners, officers, directors owning 20% or more of the company.)

Name	Social Security #	Address	% Owned

9. Certification: I hereby pledge that this project will be completed in accordance with the terms and conditions of this application, if approved and funded.

Applicant's Name (Typed)

Signature of Applicant

Date

10. Abstract and Title Option

11. Proof of insurance on building or equipment that is being financed and proof of City of Baudette on policy

APPLICATION EXHIBITS
Attach the following information

A. Business Plan

- 1) Submit a Business Plan to describe your plans for your business. (See the attached *Business Plan Outline* for an example.) Include the following points and any other pertinent information.
 - a) Business Description
 - b) Products or Services
 - c) Project Description
 - d) Marketing Strategy and Market Analysis
 - e) Management Information

B. Financial Statements

- 1) Submit year-end Financial Statements covering the last three years, including:
 - a) Balance Sheets
 - b) Profit and Loss Statements
 - c) Notes to Financial Statements explaining all significant entries (accounting methods and policies, debt structure, market value of assets, etc.)
- 2) Include a Balance Sheet and Profit and Loss Statement dated within 90 days of filing this application.
- 3) Submit business tax returns for the past three years.

C. Financial Projections

Financial projections are expected to flow logically from the historical Financial Statements. Include notes explaining the basis of your projections.

- 1) Submit a Performa Balance Sheet as of the first day of the business and for the next two year ends.

- 2) Provide Profit and Loss Statements and a Cash Flow Analysis monthly for the first year; and, yearend in year two.

D. Personal Financial Statements of Business Owners

- 1) Submit a Personal Financial Statement for anyone owning 20% or more of the business. The date of the Personal Financial Statement/s should be the same as the date of the current business Financial Statement.
- 2) Submit personal tax returns of the business owner/s for the past three years.

E. Letters of Commitment

Include documentation of commitment for all other financial participants.

F. Employment Documentation

Complete the attached *Current and Projected Employee Data* form (Form ED-612).

G. Bids, Quotes, and Leases

If you are buying land, constructing a building, or renovating a building, provide bids or quotes. If you are buying machinery or equipment, attach a detailed list of the equipment, cost, and seller's name. If you are leasing any equipment or property, attach a copy of the lease.

H. Documentation of Approval from Your Local Government Unit

Include a copy of the city, township, or county action approving your project as being in the best interest of that local unit of government. See the attached *Resolution of Jurisdictional Approval* for a sample format. (This may be submitted following Loan Committee review of the application.)

I. Representation Letter

Complete the attached *Representation Letter*, assuring that the Financial Statements you are submitting conform to generally accepted accounting principles.

If the loan application is approved and the applicant is a corporation, you will need to submit a copy of your Certificate of Incorporation, a corporate resolution authorizing the corporation to borrow money from the Baudette Loan Fund, a Certificate of Good Standing, and other corporate documents. Partnerships and Proprietorships will need to submit a Certificate of Assumed Name.

Business Plan Outline

Use the following as a guide to describe your plans for your business.

- 1) Business Description: Provide a general description of the company, including the development of the business, organizational structure, legal structure, background of the principles, ect.
- 2) Products or Services: Describe your product or service. Explain the benefits or competitive advantages it has over other products or services. If applicable, indicate the patents, copyrights, and other legal considerations that have been met.
- 3) Project: Describe the project for which financing is being requested.
- 4) Marketing Strategy and Market Analysis:
 - a) Describe your targeted market area and the projected demand for your product or service. If applicable, describe the amount of products or services sold to current major customers.
 - b) Describe your overall strategy for pricing, selling, distributing, and advertising your product or service.
 - c) Describe the current and long term trends in the industry.
 - d) Describe your competition and how your business compares with the competitive companies.
- 5) Management: Summarize the experience, education, and training of the key personnel and/or enclosed their resumes. Describe the responsibilities of the key personnel and other employees.
- 6) Financial Information: Prepare three years of cash flows, personal financial statement, three years of tax returns.