

*Weld/Larimer*

**BUSINESS LOAN FUND**

*A fund administered by Upstate Colorado Economic Development*

# Application Package

822 7th Street, Suite 550  
Greeley, Colorado 80631  
Voice 970.356.4565  
Fax 970.352.2436

# *Weld/Larimer* BUSINESS LOAN FUND

A fund administered by Upstate Colorado Economic Development

## **Program Summary**

The Weld/Larimer Business Loan Fund (“BLF”) was established to assist with the financial needs of companies expanding or locating in Weld or Larimer County. The Program was originally funded through the State of Colorado Community Development Block Grant Allocation from the US Department of Housing and Urban Development (“HUD”). Upstate Colorado Economic Development administers the BLF on behalf of the two counties.

Since the program was started in 1991, the BLF has loaned a total of \$9.89 million to a total of 48 companies. These loans leveraged more than \$84 million in capital investment and enabled those companies to create or retain 1,319 full-time and 845 part-time jobs.

The BLF can provide short-term financing for up to 45% of project costs, and may assume a second or third collateral position in order to leverage other lender involvement. The minimum loan amount is \$25,000. Based on the financial needs of the applicant, the use of the borrowed funds and the borrower’s credit history, typical terms will be for a term of 5-7 years and interest rates are based on the prime rate.

## **Program Priorities**

Any business that meets the following criteria:

- Is a private, for-profit organization that is located in, considering locating in, or expanding in Weld County or Larimer County, except for businesses within the cities of Greeley, Fort Collins or Loveland, (those are “entitlement” cities that receive their own HUD block grants for economic development)
- Is considered a “primary” industry (i.e. manufacturing, agriculture, processing, distribution, etc.) that sells to markets larger than the local area. These businesses will be given priority, however, retail or service businesses are eligible.
- Can demonstrate that the project being funded is creating new jobs, retaining jobs, or that the principal beneficiaries of any jobs created/retained are low to moderate-income persons. For each \$20,000 in BLF funds loaned to a business, one new job must be created or retained.

## **Loan/Guarantee Terms**

- Short-term financing or loan guarantee for up to 45% of total project costs
- Remaining project costs to be funded through banks, private investors or other loan programs (SBA guaranteed loans, etc.)
- Minimum loan amount - \$25,000; maximum loan amount - \$500,000
- Maximum loan term 10 years when real estate is involved. (may offer loans with up to 20 year amortization schedule with a balloon payment at end of 5, 7 or 10 years)
- Interest rates - negotiable based on the national prime rate
- Loan collateral - considered on a case-by-case basis. The BLF may assume a 2<sup>nd</sup> or 3<sup>rd</sup> position in order to leverage other lender involvement
- Personal guarantees or co-signatures from the business owners (20%+) required
- At least 10% of the project cost or market value must be invested by the borrower
- Origination/closing fee equal to 2% of the loan amount or guarantee
- No pre-payment penalties
- Non-refundable \$100 loan application fee

# Weld/Larimer BUSINESS LOAN FUND

*A fund administered by Upstate Colorado Economic Development*

## Application Instructions

Complete *BLF Application* and attach copies of the following documents:

- \_\_\_\_\_ Current (not over 60 days old) Balance Sheet and Profit & Loss Statement.
- \_\_\_\_\_ Previous 3 years' fiscal year-end Balance Sheets and Profit & Loss Statements.
- \_\_\_\_\_ Previous 3 years' Federal income tax returns.
- \_\_\_\_\_ Business Plan stating history of business, nature of expansion and marketing plans.
- \_\_\_\_\_ Cash flow projections by month for 1<sup>st</sup> year; then by quarter for 2<sup>nd</sup> and 3<sup>rd</sup> years.
- \_\_\_\_\_ Personal financial statements for all owners of business with prior 3 year's tax return.
- \_\_\_\_\_ Resume or biographical sketch including previous business experience and management capabilities of each owner and supervisors.
- \_\_\_\_\_ If Corporation, copy of Articles of Incorporation and current Certificate of Good Standing from State of Colorado.
- \_\_\_\_\_ If Partnership or Limited Liability Company, copy of Partnership or LLC Agreement.
- \_\_\_\_\_ Copy of letter of commitment from other financing sources, including rate and terms of financing (see #4 in Application).
- \_\_\_\_\_ \$100 application fee.

Please send completed application to:

Weld/Larimer BLF  
c/o Upstate Colorado Economic Development  
822 Seventh Street, Suite 550  
Greeley, CO 80631

(970) 356-4565 / Fax (970) 352-2436

# Weld/Larimer BUSINESS LOAN FUND

*A fund administered by Upstate Colorado Economic Development*

## LOAN APPLICATION

<b>BLF Loan Request Amount \$</b>	Date:
-----------------------------------	-------

### 1. PRELIMINARY INFORMATION

Business Name	Phone (    )	Fax (    )
Contact Person	Title	
Mailing Address		
Physical Address	County	
Federal ID or SS#		
Business Account Bank		
Bank Address		
Bank Contact		

### 2. BUSINESS INFORMATION

Type of Business: <table style="margin-left: 20px;"> <tr> <td><input type="checkbox"/> Sole Proprietor</td> <td><input type="checkbox"/> Retail</td> </tr> <tr> <td><input type="checkbox"/> Corporation</td> <td><input type="checkbox"/> Wholesale</td> </tr> <tr> <td><input type="checkbox"/> Sub S Corporation</td> <td><input type="checkbox"/> Service</td> </tr> <tr> <td><input type="checkbox"/> Partnership</td> <td><input type="checkbox"/> Manufacturer</td> </tr> <tr> <td></td> <td><input type="checkbox"/> Other</td> </tr> </table>	<input type="checkbox"/> Sole Proprietor	<input type="checkbox"/> Retail	<input type="checkbox"/> Corporation	<input type="checkbox"/> Wholesale	<input type="checkbox"/> Sub S Corporation	<input type="checkbox"/> Service	<input type="checkbox"/> Partnership	<input type="checkbox"/> Manufacturer		<input type="checkbox"/> Other	If corporation, list names of officers:  
<input type="checkbox"/> Sole Proprietor	<input type="checkbox"/> Retail										
<input type="checkbox"/> Corporation	<input type="checkbox"/> Wholesale										
<input type="checkbox"/> Sub S Corporation	<input type="checkbox"/> Service										
<input type="checkbox"/> Partnership	<input type="checkbox"/> Manufacturer										
	<input type="checkbox"/> Other										

Date business established _____	Fiscal year _____
---------------------------------	-------------------

Is this an existing business?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Purchase of existing business?	<input type="checkbox"/> Yes <input type="checkbox"/> No
New business?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Business description: *(products manufactured, services provided, etc.)*

Percent of Ownership				
Name	Address	Phone	% Owned	SS#
1)				
2)				
3)				
4)				

### 3. DESCRIPTION OF PROJECT, REASONS FOR EXPANSION & NEED FOR BLF FUNDS

### 4. OTHER LENDING COMMITMENTS/CONTACTS FOR THIS PROJECT

Please list below names of other banks or lending sources you have contacted regarding this project and indicate whether they are willing to commit to financing. Attach letters of commitment or interest if available.

Name	Phone #	Date of Contact	Willing to Commit
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No

### 5. EMPLOYMENT

Number of FTE\* employees at the time of application: \_\_\_\_\_

Average payroll (\$/month): \_\_\_\_\_

New FTE jobs to be created as a result of this loan: *(Give #'s for each time period, not cumulative total)*

a) 1<sup>st</sup> 6 months \_\_\_\_\_ b) 2<sup>nd</sup> 6 months \_\_\_\_\_ c) 2<sup>nd</sup> Year \_\_\_\_\_ Total over 2 Years \_\_\_\_\_  
*(should equal a thru c)*

If this is a job retention project (i.e. company will go out of business if BLF funds are not received), number of current FTE employees to be retained: *(Mark n/a if not applicable)* \_\_\_\_\_

Number to be filled (retained) by low/moderate income persons: *(Refer to chart on page 8)* \_\_\_\_\_

Plans for hiring and training new workers:

\*FTE, for the purposes of this program, is defined as a minimum of 35 hours per week, 50 weeks per year.

## 6. BUSINESS DEBT

List current debts of the business (including credit card debt) – indicate any loans to be paid by proposed funding with an asterisk (\*).

Original Date	Lender	Original Amount	Current Balance Outstanding	Interest Rate	Term	Monthly Payment	Security
		\$	\$	%		\$	
		\$	\$	%		\$	
		\$	\$	%		\$	
		\$	\$	%		\$	
		\$	\$	%		\$	

## 7. USE OF ALL PROCEEDS

	Amount	Anticipated Date of 1 <sup>st</sup> Draw
Purchase of real estate	\$ _____	_____
New construction of building and fixed assets	_____	_____
Building expansion or repair	_____	_____
Acquisition of existing business	_____	_____
Purchase of machinery and equipment	_____	_____
Purchase of furniture and fixtures	_____	_____
Purchase of inventory	_____	_____
Debt payment (refinancing of existing debt)	_____	_____
Working capital or operating expenses	_____	_____
Other (explain)	_____	_____
<b>TOTAL PROJECT AMOUNT</b>	<b>\$ _____</b>	<b>_____</b>

## 8. SOURCE OF PROCEEDS

Show all sources of financing for this project.

Bank loan (non-SBA)	\$ _____
Bank loan (SBA guarantee)	_____
Mortgage (other than bank)	_____
Equipment finance (non-bank)	_____
Borrower equity: cash	_____
Borrower equity: non-cash	_____
BLF Loan Request	_____
<b>TOTAL</b>	<b>\$ _____</b>

Note: Total of Section 7 should equal total of Section 8

## 9. OVERALL BORROWER EQUITY

What amount will borrowers invest in business (is investment in cash, equipment, real estate, etc.)?

_____	\$ _____
_____	\$ _____
_____	\$ _____

## 10. SUMMARY OF BUSINESS ASSETS

Items	Fair Market Value	Assets Encumbered by:
Building and land	\$ _____	_____
Existing equipment	\$ _____	_____
New equipment	\$ _____	_____
Accounts receivable	\$ _____	_____
Finished inventory for sale	\$ _____	_____
Inventory in process	\$ _____	_____
Raw materials	\$ _____	_____
Personal guarantees	\$ _____	_____
Other	\$ _____	_____
What collateral are you willing to pledge to the BLF?	_____	_____

## 11. CREDIT REFERENCES

Business and personal if sole proprietorship.

	Name	Phone	Contact Person	# Years Assoc.	Credit Rating
Banks	_____	_____	_____	_____	_____
Trades	_____	_____	_____	_____	_____
Credit Cards	_____	_____	_____	_____	_____

Does your business have any subsidiaries or affiliates (including owner leasing or arrangements)?  Yes  No

Does your business have any licensing agreements or royalty payments required for any of the business products?  
If yes, please provide their names and the relationship with your company.  Yes  No

For subsidiaries or affiliates, provide a current balance sheet and operating statement for each as an attachment.

Have you or any officers of your company ever been involved in bankruptcy or insolvency proceedings?  
If yes, please give details in an attached letter.  Yes  No

Are you or your business involved in any potential or pending lawsuits?  
If yes, provide details in supporting documents.  Yes  No

## AUTHORIZATION FOR CREDIT CHECK

I (we) certify that the information included in this application is true and complete to the best of my (our) knowledge. By my (our) signature(s), I (we) agree to comply with the requirements that the Weld/Larimer Revolving Loan Fund makes in connection with the approval of my (our) loan request. I (we) also grant permission to the Weld/Larimer Revolving Loan Fund to obtain information from my (our) bank, creditors, credit bureau reporting agency or other necessary sources to evaluate this application.

---

Company Name

---

Authorized Official/Individual

Title

Date

---

Authorized Official/Individual

Title

Date

- **\$100 non-refundable application fee must be submitted with BLF Application.**
- **A Loan Closing Fee equaling 2% of total BLF assistance will be collected at loan closing.**



## EMPLOYMENT PLAN

Below is a list of proposed full-time, permanent positions that shall be created as a result of the CDBG loan. This form must be completed and attached as a part of the Weld/Larimer BLF Loan Application.

Total jobs to be created \_\_\_\_\_ within \_\_\_\_\_ years(s). Of these jobs, \_\_\_\_\_ (%) or \_\_\_\_\_ (#) shall be held by low to moderate-income persons (refer to Low/Moderate income guidelines for Weld and Larimer Counties on page 7).

Total jobs to be retained \_\_\_\_\_. Of these jobs, \_\_\_\_\_ (#) shall be held by low to moderate-income persons.

### JOB DESCRIPTIONS

*Jobs available to or expected to be held by low to moderate-income persons are indicated by an (\*) next to the position.*

Job Title	# of Positions	Schedule for Hiring	Proposed Wage/Salary	Skills & Education Required

On positions where education and experience requirements are more than a high school education, describe training and recruitment that will be provided to make jobs available to low and moderate income persons. The distance from residence and availability of transportation to the employment site should also be considered in determining whether low/moderate income persons can seriously be considered as applicants for the job.

I hereby certify that the above information is true to the best of my knowledge and that these estimates shall be contractually binding in the event funding is provided.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\* Indicates positions available to low/moderate income persons.

\*\* Should reflect time from loan closing until job commences.

USING THE CHART BELOW, REVIEW THE INCOME GUIDELINES FOR THE COUNTY IN WHICH YOUR BUSINESS IS LOCATED TO DETERMINE THE INCOME LEVELS NECESSARY FOR JOBS CREATED IN ORDER TO MEET LOW/MODERATE INCOME GUIDELINES.

### LOW/MODERATE INCOME GUIDELINES\*

Effective May 31, 2011

	Household Size							
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
<b>WELD COUNTY</b>								
Moderate Income	\$37,800	\$43,200	\$48,600	\$54,000	\$58,350	\$62,650	\$67,000	\$71,300
Low Income	\$23,650	\$27,000	\$30,400	\$33,750	\$36,450	\$39,150	\$41,850	\$44,550
<b>LARIMER COUNTY</b>								
Moderate Income	\$42,950	\$49,100	\$55,250	\$61,350	\$66,300	\$71,200	\$76,100	\$81,000
Low Income	\$26,850	\$30,700	\$34,550	\$38,350	\$41,450	\$44,500	\$47,600	\$50,650

\* Maximum incomes for "low-income" and "moderate-income" households in current dollars. To be used only for CDBG projects funded under the 1988 and subsequent CDBG Program Guidelines.

"**Low Income**" is defined as being 50% of area median income. "**Moderate Income**" is defined as being 80% of area median income.

Persons whose current household incomes do not exceed these maximum income limits are considered to be low and moderate income (LMI) persons in the CDBG program. CDBG grantees and applicants whose projects involve the individual selection and qualification of beneficiaries based on their current incomes (as is the case in housing rehabilitation, job creation and other "direct benefit" projects) must use these income limits in determining whether beneficiaries are LMI persons. CDBG grantees and applicants using Department-approved surveys to obtain information on the current incomes of project beneficiaries must use these income limits to estimate the LMI benefit of project activities.