

Project NOW, Inc. Community Action Agency Small Business Loan Program

Project NOW, Inc. CAA has established the CSBG Loan Program to assist financial small businesses for either start-up or expansion projects. The purpose of this loan program is to create and retain jobs for low-income persons and to promote economic growth in Henry, Mercer and Rock Island Counties.

The CSBG Loan Program is intended to “fill the gap” in conventional financing, not to duplicate the financing of private lenders. In general, the loan program could lend 20% - 30% of a total loan project at a fixed rate of 5% for up to 10 years. The remaining 70% - 80% of the loan package must be obtained through a local bank (with or without SBA participation) and owner equity.

Loan program funds may be used for machinery, equipment, inventory and/or working capital. Funds may not be used for land or building purchases, construction or renovation; those needs would fall under the private lender’s funding.

In addition, potential loan projects must plan to create and maintain one full-time equivalent job for a low-income person or persons for every \$20,000 (or part thereof) of CSBG loan funds. The hiring must be completed within the first two years of the loan.

There are no application fees for CSBG loans.

For further information and/or application forms, please contact:

Project NOW, Inc. CAA
P.O. Box 3970
418 19th Street
Rock Island. IL 61204-3970
Phone (309) 793-6391
Fax (309) 793-6352

Application
Project NOW, Inc. Community Action Agency
Revolving Loan Program

Chief Executive Officer/ Applicant

Company Name

Address

City, Zip

County

(____) _____
Telephone Number

Contact Person for Project

Amount of Financing Requested from Project NOW, Inc. CAA: _____

Total Jobs Created: _____ Total Projected Cost: _____

Date: _____

Description of Project:

Project (Construction/Renovation/Etc.):

Startup Date Beginning: _____ Proposed End Date: _____
Month/ Year Month/ Year

Participating Bank or Other Investor/Lender:

Institution/Investor: _____

Loan Officer: _____

Address: _____

City, Zip: _____ Phone: () _____

Source and Use of Funds

| | Owner + Bank + CSBG "D" + CSBG + Other + Total | Equity | Category | Recap. | | |
|---|--|--------|----------|--------|--|--|
| Rate (%) | | | | | | |
| Term (Years) | | | | | | |
| Land Acquisition/ Land Improvement | | | | | | |
| Building Acquisition, Building Construction Or Improvements | | | | | | |
| Machinery/ Equipment | | | | | | |
| Inventory | | | | | | |
| Working Capital | | | | | | |
| Other (Please Explain) | | | | | | |
| Total | | | | | | |

| Summary of Collateral By Source (List) | Value \$ |
|--|----------|
| <p>I/We understand that a personal guarantee of repayment will be required at closing.</p> | |
| Signed: | Date: |

Interagency Wetland Policy Act Of 1989

In accordance with the Interagency Wetland Policy Act of 1989 (20ILCS 830/1-6), an applicant whose proposed project site is located in, or within 250 feet of, a wetland site listed on the National Wetlands Inventory will be required to comply with the requirements of the Act. This includes: developing a plan to minimize adverse impact on wetlands, or providing written evidence that the proposed project will not have an adverse impact on a wetland.

In order for the department to determine whether the proposed project may have an adverse impact on a wetland, please submit a copy of the plat map for the site, clearly indicating the proposed site, including the name of the township and section. (This information can be secured from the county clerk’s office, as well as from most banks, farm bureau offices, and real estate firms.) DCCA will use this site information to identify any potential impact on a wetland.

I/we (the applicant) certifies that the proposed project is compatible with established state policy regarding wetlands (i.e. to minimize the destruction of existing wetlands in Illinois as a result of state and state-supported activity), pursuant to the Interagency Wetland policy Act Of 1989.

_____ Date

_____ Signature

Credit History

I authorize Project NOW to verify my credit, by obtaining a credit report.

_____ Date

_____ Signature

Current and Projected Employment (1 job for a low-income person must be created and maintained for each \$20,000 or part thereof, of CSBG funds)

| Jobs Title | Rate of Pay | Hours Worked Per Week | Months Worked Per Year | Fringe Benefits |
|------------|-------------|-----------------------|------------------------|-----------------|
| | | | | |
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The number of positions shown above are the total I/we will create. Of those, _____ will be created/maintained for low-income persons.

Signature

Date

You may include paid or partially paid hospital insurance, paid or partially paid life insurance, paid vacation (# weeks), retirement, profit sharing, etc. If a dollar value can be placed on the benefit, please do so.

CHECKLIST

(Please be sure all applicable items are attached to your application. Failure to provide requested information will delay review/ decision process.)

ATTACHMENTS (Please type and number the pages)

- () A) **History of the Company-** Submit a brief history of the business and past employment growth.
- () B) **Market Information-** Submit information on your company's products or services and identify existing and potential major customers and competitors.
- () C) **Company Management-** List of those people who are responsible for the management of the company and indicate their positions and percentage of ownership.
- () D) **Resume of Principles-** Submit a resume for each management staff as identified in Exhibit J.
- () E) **Description of Machinery and Equipment (If Applicable)-** Identify major equipment of classes or equipment to be acquired with Project NOW's program funds. For acquisition of new machinery and equipment, attach reliable vendor cost estimates. For used machinery and equipment acquisition, provide an appraisal demonstrating that the fair market value is in line with the purchase price.
- () F) **Description of Working Capital (If Applicable)-** Provide a detailed explanation of the need for and use of the funds for working capital.
- () G) **Subsidiaries/Affiliates (If Applicable)-** State relationship between another company owning 50% or more of applying company's stock; the applying company owning 50% or more of another company's stock; the applying company's association with any other business.

- () H) **Detailed Schedule Of Debts-** Include debt schedule of existing loans, not to include loan in this application.
- () I) **Land and Building Information-** For land and/or building acquisition, attach an appraisal and a copy of the purchase option or agreement or lease agreement. For building construction or renovation, provide contractor or architect's cost estimates. For purchase of business, attach appraisal.
- () J) **Site Map-** Attach a copy of the plat map for the site, clearly indicating the proposed site, including the name of the township and section. Show the location of any flood plain.
- () K) **Corporate Financial Statements-** Submit historical corporate financial statements for the past 3 years and interim statement **signed and dated** no more than 90 days prior to application. Also submit a balance sheet after the loan(s) are made:
 - () 1. Profit and Loss Statements
 - () 2. Balance Sheets (before and after loan(s) are made)
 - () 3. Disclosure of Contingent Liabilities
- () L) **Personal Financial Statements-** Submit a signed and dated personal financial statement(s) (within 90 days) for each principal owning more than 20% of the company. Also submit last 3 years tax returns.
- () M) **Three Year Projections-** Submit **signed and dated 3 year projections** of the Profit and Loss (or Income) Statement. Also for the first year include a Monthly Cash Flow Projection of your project. Include **signed and dated assumption** for the projection. Use attached forms. (If a corporation, submit last 3 years corporate tax returns.
- () N) **Letter of Commitment-** Document all sources of leveraging in commitment letters. Loans from financial institutions must have language indicating the the loan amount, the specified term and interest, collateral, conditions attendant to the loan, and the fact that the loan is approved.
- () O) **Suits/Legal Actions-** Describe any suits or legal actions to which the applicant/company may be defendant. (See Conflict of Interest Statement.)
- () P) **Bankruptcy-** Describe any bankruptcy actions of the applicant/company. (See Conflict of Interest Statement.)
- () Q) **Illinois Business Registration/Corporate By Laws/Articles of Incorporation-** To do business in Illinois from the Secretary of State. (If a Corporation.)

- () **R) Corporate Resolution-** (Attached or your own.)
- () **S) Bank Denial Letter-** (Micro-loans only.)
- () **T) Insurance** (At Time of Closing)-
 1. Hazard/Liability-Equipment- Project NOW, Inc. shall be shown as loss payable as its respective interest shall appear.
 2. Life Insurance- On principal in amount equal to the amount of the loan with Project NOW, Inc. named as beneficiary.
- () **U) Conflict of Interest Statement** (Attached)

**Resolutions of Corporate Board
 Authority to Hypothecate Corporate Assets
 (Certified Copy)**

I HEREBY CERTIFY, that I am the duly elected and qualified Secretary of _____ and the keeper of the records and corporate seal of said Corporation; that the following is a true and correct copy of resolutions duly adopted at a meeting of the Board of Directors thereof held in accordance with its By-Laws at its office at _____ on the _____ day of _____, 20____, and that the same are now in full force.

Copy of Resolution

“BE IT RESOLVED, that the (insert titles only) _____ of this Corporation, or their/his successors in office, or any (insert number required to sign) _____ of them be and they/he hereby are /is authorized for, on behalf of, and in the name of this Corporation to:

- (A) Give security for any liabilities to Project NOW, Inc. CAA, (hereby called the firm), P.O. Box 3970, 418 19th Street, Rock Island, Illinois 61204-3970 be pledge or assignment of lien upon any real or personal property, tangible or intangible, of this Corporation, and
- (B) Execute in such form as may be required by the Firm, all instruments of pledge, assignment of lien, and that none of the same shall be valid unless so signed or endorsed provided, however, that the endorsement of promissory notes discounted may be effected by any one of them.”

“RESOLVED FURTHER, that this resolution shall continue in force, and said Firm may consider the holders of said offices and their signatures, respectively, to be and continue as set forth in the certificate of the Secretary of this Corporation accompanying a copy of this resolution when delivered to said Firm or in any similar subsequent certificate, until notice to the contrary in writing duly served on said Firm.”

I HEREBY FURTHER CERTIFY, that the following named persons have been duly elected to the offices set opposite their respective names, that they continue to hold these offices at the present time, and that the signatures appearing hereon are genuine, original signatures of each respectively:

(PLEASE SUPPLY GENUINE SIGNATURES HEREUNDER)

| | | |
|---------------------|---------------------|-----------|
| President | Vice-President | Treasurer |
| Assistant Treasurer | Assistant Treasurer | Secretary |

IN WITNESS WHEREOF, I have hereunto affixed my name as Secretary and have caused the corporate seal of said Corporation to be hereto affixed this ____day of _____, 20____.

IMPRINT SEAL HERE

Secretary

Conflict(s) of Interest

Project NOW, Inc. CAA must ensure that no known “conflicts of interest” exist relative to its objective consideration of CSBG loan requests. Therefore, the applicant is requested to provide a complete “economic disclosure” of the financial interests that surround this loan request. Please check the appropriate answer below for each of the questions posed and provide the additional data required in connection with any affirmative responses on the page, which follows.

Have you or any partners or officers of the business ever been involved in any bankruptcy or insolvency proceedings? If yes, please provide relevant details. Yes No

Are you, your partner(s), or officers involved in any pending lawsuits at this time? If yes, please provide the details. Yes No

Do you, your Partner(s), your officers, or the business itself has a controlling interest in any other business entity? If yes, please provide the names of the investors/owners and their relationship with your business. Yes No

If you, your Partner(s), your officers, or the business itself have an interest in another business entity, do you buy from, sell to, or use the services of the other firm? If yes, please provide the details of the relationship. Yes No

Are you, your partner(s) or officers, or any member of (their) immediate family related to any voting member of the Project NOW, Inc. Board of Directors? If yes, please identify the member in question. Yes No

To the best of your knowledge, does any voting member or staff member of Project NOW, Inc. have any vested financial interest in the outcome of this CSBG loan decision? (e.g., seller of the property or equipment consultant for the project, legal counsel, accountant, project engineer, bond counsel or underwriter, representative of the participating private sector lender, etc.) Yes No

The applicant hereby certifies to Project NOW, Inc. CAA that the information above (and on the page(s) which follow) are true and correct to the best of his/her belief and are submitted only for the purpose of obtaining financial assistance under the CSBG Loan Program administered by Project NOW, Inc. CAA.

President’s Signature

Date

Personal Financial Statement

As of: _____, 20__

This form is to be completed by each proprietor if more than a sole proprietor exists. In the case of a partnership, by each limited partner owning more than 20% or more interest in said partnership and by each general partner. In the case of a corporation, each shareholder owning 20% or more of the voting stock as well as each corporate officer and director. This form must also be completed by each person serving in the capacity as guarantor (co-signer) for applicant's loan.

Name Business Phone ()

Residence Address Residence Phone ()

City, State, Zip Code

Applicant's Business Name

| | |
|---------------|--------------------|
| Assets | Liabilities |
|---------------|--------------------|

| | |
|---|--|
| Cash on hand and in Banks..... \$ _____ Savings and Cert. of Deposit.....\$ _____ IRA or other Retirement ACCT..... \$ _____ Accounts and Notes Receivable.....\$ _____ Life Insurance(cash surrender value).....\$ _____ Describe in section #8 Stocks and Bonds.....\$ _____ Describe in section #3 Real Estate Owned.....\$ _____ Describe in section #4 Automobile –Present Value.....\$ _____ Other Personal Property.....\$ _____ Describe in section #5 Other Assets.....\$ _____ Describe in section #5 Total.....\$ _____ | Accounts Payable.....\$ _____ Notes Payable to Banks & Others.....\$ _____ Describe in section #2 Installment Account (Auto).....\$ _____ Monthly Payments \$ _____ Installment Accounts (Other)\$ _____ Monthly Payments \$ _____ Loans on Life Insurance.....\$ _____ Mortgages on Real Estate.....\$ _____ Describe in section #4 Unpaid Taxes.....\$ _____ Describe in section #6 Other Liabilities.....\$ _____ Describe in section #7 Total Liabilities.....\$ _____ Net Worth.....\$ _____ Total.....\$ _____ |
|---|--|

| | |
|--|--|
| <p style="text-align: center;"><u>Section 1. Source of Income</u></p> Salary.....\$ _____ Net Investment Income\$ _____ Real Estate Income.....\$ _____ Other Income (Describe Below)\$ _____ | <p style="text-align: center;"><u>Contingent Liabilities</u></p> As Endorser or Co-Maker.....\$ _____ Legal Claims and Judgements.....\$ _____ Provision for Fed. Income Tax.....\$ _____ Other Special Debt.....\$ _____ |
|--|--|

* Description of Other Income in Section 1.

Alimony or child support payments need not be disclosed in "Other Income" unless it is desired that such payments be counted toward total income.

Section 2. Notes Payable to Banks and Others

| Name and Address of Note-holder(s) | Original Balance | Current Balance | Payment Amount | Frequency (Monthly, etc.) | How secured or Endorsed Type of Collateral |
|------------------------------------|------------------|-----------------|----------------|---------------------------|---|
| | | | | | |
| | | | | | |

(Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Personal Financial Statement.....Part 2

| Section 3. Stocks and Bonds (Use attachments if necessary. Each attachment must be identified as part of this statement and signed) | | | | | |
|---|---------------------|------------|------------------------------------|-------------------------------|-------------|
| Number of Shares | Names of Securities | Cost | Market Value Quotation/Exchange | Date of Quotation/Exchange | Total Value |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Section 4. Real Estate Owned (List each parcel separately. Use attachments if necessary. Each attachment must be identified as part of this statement and signed.) | | | | | |
| Type of Property | Property A | Property B | Property C | | |
| Name and Address of Title Holder | | | | | |
| Date Purchased | | | | | |
| Original Cost | | | | | |
| Present Market Value | | | | | |
| Name and Address of Mortgage Holder | | | | | |
| Mortgage Account Number | | | | | |
| Mortgage Balance | | | | | |
| Amt. of Payment Month/Year | | | | | |
| Status of Mortgage | | | | | |
| Section 5. Other Personal Property and Assets (Describe, and if any pledged as security list the name and address of lien holder, lien amount, and terms of payment. If delinquent, describe the delinquency.) | | | | | |
| | | | | | |
| Section 6. Unpaid Taxes (Describe completely. Amount due, to whom, due date, and to what property, if any, a tax lien/attached) | | | | | |
| | | | | | |
| Section 7. Other Liabilities (Describe in detail) | | | | | |
| | | | | | |
| Section 8. Life Insurance Policies (List face amount, cash surrender value, name of insurance company, owner of policy and beneficiaries.) | | | | | |
| | | | | | |
| I (We) hereby authorize Project NOW, Inc. to make such inquiries necessary to verify information furnished herein and to determine my (our) creditworthiness. I (We) hereby certify that the above statements, and any statements made in attachments hereto, are true and accurate as of the date affixed to this document. The statements made herein are for the purpose of either obtaining a loan or guaranteeing a loan. I (We) understand and am (are) fully aware that FALSE statements may result in forfeiture of all benefits. | | | | | |
| Signature: | | Date: | | Soc. Sec. No.: | |
| Signature: | | Date: | | Soc. Sec. No.: | |

Part I Estimated Projection and Forecast of Three years' Earnings
 (Attach Narrative Explaining Basis for Figures Showing Receipts, Expenses and Profits)

| | First Year | Second Year | Third Year |
|----------------|------------|-------------|------------|
| Gross Receipts | | | |

Costs of Goods Sold:

| | | | |
|-------------------|--|--|--|
| Opening Inventory | | | |
| Materials | | | |
| Direct Labor | | | |
| Subcontract Costs | | | |
| Purchases | | | |
| Overhead | | | |
| Total | | | |

| | | | |
|---|--|--|--|
| Less Ending Inventory | | | |
| Cost of Goods Sold | | | |
| Gross Profit | | | |
| Expenses | | | |
| Officers' Salaries (If corporation) | | | |
| Employee Wages | | | |
| Accounting and Legal Fees | | | |
| Advertising | | | |
| Rent | | | |
| Depreciation | | | |
| Supplies | | | |
| Electricity | | | |
| Telephone | | | |
| Interest | | | |
| Repairs | | | |
| Taxes | | | |
| Insurance | | | |
| Bad Debts | | | |
| Miscellaneous (Postage, etc.) (if large sum, please itemize) | | | |
| Total Expenses | | | |
| Net Profit | | | |
| Less: Federal Income Taxes State Income Taxes | | | |
| Net Profit After Taxes | | | |
| Less Withdrawals (Proprietorship/Partnership) | | | |

Note: Overhead to be broken down into major expense categories such as supplies, direct labor, etc.

Part II. Projected Cash Flow

(Stated to the nearest dollar)

1. Total Project Cost \$ _____ 2. Less Start-Up Cost \$ _____ 3. Remainder* \$ _____

| | 1 st Month | 2 nd Month | 3 rd Month | 4 th Month | 5 th Month |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 4. Beginning Cash | \$ | | | | |
| Plus: Cash Sales | | | | | |
| Collection of A/R's | | | | | |
| Loans and Other Cash Income | | | | | |
| 5. Total Available Cash | \$ | | | | |
| Purchase of Inventory | | | | | |
| Employee Wages-Gross | | | | | |
| Payroll Taxes, etc. | | | | | |
| Outside Services | | | | | |
| Office Supplies | | | | | |
| Repairs and Maintenance | | | | | |
| Advertising | | | | | |
| Car, Delivery and Travel Expense | | | | | |
| Accounting, Legal, etc. | | | | | |
| Rent | | | | | |
| Telephone | | | | | |
| Utilities | | | | | |
| Insurance | | | | | |
| Real Estate Taxes | | | | | |
| Interest on Term Loans | | | | | |
| Other Expenses | | | | | |
| 6. Total Expenses | \$ | | | | |
| #5 less #6 | \$ | | | | |
| Less Owner's Withdrawals | | | | | |
| 7. Balance | \$ | | | | |
| Less payments due on fixed (term) payment loans | | | | | |
| Other Loan Payments | | | | | |
| 8. Ending Cash ** | \$ | | | | |

* This figure represents the beginning cash for the first month.

** The ending cash for one period is the beginning cash for the next month.

*** This column must agree with projected income statement.

Part III. Startup Costs

Whether you are starting a new business, moving to a new location, opening a new branch, or expanding your business, you will have some “startup” or one-time expenses. In all applications for such purposes, complete the appropriate items below and transfer the total to Part II.

- | | |
|--|-----------------|
| 1. Real Estate | \$ _____ |
| a. purchase price (if paid in full with cash) | |
| b. cash down payment (if purchased on contract) | |
| 2. Furniture and Fixtures | \$ _____ |
| a. purchase price (if paid in full with cash) | |
| b. cash down payment (if purchased on contract) | |
| c. transportation and installation costs, other | |
| 3. Machinery and Equipment | \$ _____ |
| a. purchase price (if paid in full with cash) | |
| b. cash down payment (if purchased on contract) | |
| c. transportation and installation costs, other | |
| 4. Starting Inventory | \$ _____ |
| 5. Decorating and Remodeling | \$ _____ |
| 6. Deposits | \$ _____ |
| a. utilities | |
| b. rents | |
| c. other (identify) | |
| 7. Fees | \$ _____ |
| a. legal, accounting, other | |
| b. licenses, permits, etc. | |
| c. other (identify) | |
| 8. Initial Advertising Costs | \$ _____ |
| 9. Accounts Receivable (____ days' sales) | \$ _____ |
| 10. Salaries and owner's draw until store opens for business | \$ _____ |
| 11. Other | \$ _____ |
| TOTAL | \$ _____ |