

TOWN OF MADISON
Revolving Loan Fund Program
(updated August, 2018)

The Town of Madison has established a Revolving Loan Program with funds from USDA and matching funds from the Tax Increment Financing (TIF) agreement with Backyard Farms.

Loans shall not exceed \$15,000 in amount nor 60 months in term with a fixed rate of 6%.

Any Madison business owner, or designated individual, can contact the Town Manager begin the process.

Applications shall include, but not be limited to:

- Business balance sheets, current, historical and projected for 3 years
- Current profit and loss statement, historical and projected for 2 years
- 3 Years of federal income tax returns for the business
- Personal financial statement of each principal with 20% ownership
- Marketing Plan
- Project Budget (including sources and uses of all funds)
- Loan Collateral
- Personal current credit report

All requested materials must be submitted with the application to be complete, incomplete applications will not be considered for funding.

The loan application will be reviewed by the Town Manager with final approval by the Select Board at a public meeting.

The Select Board will review and set the interest rate each year effective July 1. The Town Manager will be responsible for preparation of the loan documents.

Loan requests will be decided on a first come, first served basis.

**TOWN OF MADISON, MAINE
REVOLVING LOAN FUND APPLICATION**

Name and Address of Business:

Type of Business:

Date Established:

NAICS _____

Telephone Number:

DUNS# _____

Structure of Business:

___ Proprietorship ___ Corporation ___ Partnership ___ LLC

Business Owners

Name: _____

Title: _____

Address: _____

Percent ownership _____

Name: _____

Title: _____

Address _____

Percent ownership _____

Name: _____

Title: _____

Address: _____

Percent ownership _____

LOAN REQUEST

Loan Amount requested (Not to exceed \$15,000): _____

Collateral and value to secure loan: _____

Requested repayment term: (Not to exceed 60 months) _____

Briefly describe your current business and the reason for this loan request including specifics on the use of the revolving loan fund.

PROJECT COSTS

Property acquisition	\$ _____	Machinery & Equipment	\$ _____
Site Improvements	\$ _____	Repairs/Mach. & Equip.	\$ _____
Renovations	\$ _____	Fixtures & Furniture	\$ _____
New construction	\$ _____	Professional Fees	\$ _____
Working Capital	\$ _____	Administration	\$ _____
		Other	\$ _____
		TOTAL	\$ _____

FUNDING SOURCES

Owner's Investment	\$ _____		
Bank Financing	\$ _____		
Other Financing	\$ _____		
Revolving Loan Fund	\$ _____		
		TOTAL	\$ _____

Bank Name and Address:

_____	Contact Person:	_____
_____	Telephone:	_____
_____		_____

Please provide the following information on the sources of financing for this project.

	Revolving Loan	Bank	Owner's Investment	Other	Other	Total
Loan Amount	_____	_____	N/A	_____	_____	_____
% of Project	_____	_____	_____	_____	_____	_____
Loan Term	_____	_____	N/A	_____	_____	_____
Interest Rate	_____	_____	N/A	_____	_____	_____
Monthly Payment	_____	_____	N/A	_____	_____	_____
Collateral	_____	_____	N/A	_____	_____	_____
Lien Position	_____	_____	N/A	_____	_____	_____

Please answer the following questions and attach an explanation if answering "yes".

- Have you or any officer or owner of your company ever been involved in bankruptcy or insolvency proceedings?
 Yes No
- Are you or any officer or owner of your business involved in any pending lawsuits or judgments?
 Yes No
- Does this business have any subsidiaries or affiliates? (Please include financial statements with explanation.)
 Yes No
- Are you or any officer or owner of your business co-signer, endorser, guarantor on any note currently outstanding?
 Yes No

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 (Type or Print)

Signature of Applicant

Date

APPLICATION APPENDIXES- On separate sheets, please attach the following information:

A. BUSINESS, MARKETING AND MANAGEMENT INFORMATION

Describe plans for your business, including the following points, where applicable, and any other pertinent information. If you have an existing business plan, please attach.

1. Describe your business product or service and explain the benefits or competitive advantages it has over other products and services.
2. What is your overall strategy for selling, distributing, pricing, and advertising your product or service?
3. Describe your targeted market area and the projected demand for your product or service.
4. Summarize the experience, education and training of the owners and key personnel.

B. FINANCIAL STATEMENTS

1. Submit Balance Sheets and Profit and Loss Statements, dated within 30 days of filing this application and the business Federal Income Tax Returns for the past three years.
2. Submit a Proforma Balance Sheet for the next two years. Provide Profit and Loss Statements and a Cash Flow Analysis monthly for the first year.
3. Submit Personal Financial Statements for all principals with over 20% ownership, dated within 90 days of this application and three years of personal Federal Income Tax Returns of principals if the business is a partnership or sole proprietorship.
4. Include documentation of commitment from all other financial participants listed under the sources of financing.
5. Please provide a recent personal credit report for each person with over 20% ownership.

C. BIDS AND QUOTES

Please provide bids and quotes for real estate, construction, machinery or equipment pertinent to use of the Revolving Loan Fund as well as the name and phone number of each vendor.

Appendixes cont.

D. AUTHORIZATION FOR RELEASE OF FINANCIAL INFORMATION

Complete the attached Authorization for Release of Financial Information form which authorizes the release of credit reports and other financial information to the Madison Revolving Loan Fund and the Credit Authorization form included with the application package.

E. JOB CREATION / RETENTION

Document the job creation/retention resulting from this project (not including owner's positions). Please provide information on municipal residency of each employee, newly hired or retained.

F. INSURANCE

1. Provide evidence of hazard insurance on the collateral, naming the Town of Madison as loss payee.
2. Provide proof of workman's compensation insurance.

G. PROCESSING FEES

In lieu of an application or processing fees, upon approval of the loan request, applicant will be responsible for the cost of document preparation relating to the collateral assignment for the loan. This amount will be estimated after review of the application and may be included in the loan amount if approved by the committee.