

**PIKE COUNTY/CITY OF PETERSBURG  
LOAN ADMINISTRATION  
BOARD**

PRELIMINARY APPLICATION  
FOR  
REVOLVING LOAN FUNDS

SERVING THE COMMUNITIES OF  
PIKE COUNTY AND THE CITY OF PETERSBURG

## **PRELIMINARY LOAN APPLICATION**

### **FOR**

## **REVOLVING LOAN FUNDS**

Pike County/Petersburg Loan Administration Board

PO Box 162

Petersburg, IN 47567

### **Eligible Businesses**

User, for-profit businesses located within Pike County.

Businesses unable to obtain sufficient conventional financing.

### **Goals and Objectives**

The primary goal of the Pike County/City of Petersburg Revolving Loan Fund (RLF) is to increase local job opportunities and expand the tax base. The primary goal will be sought through a number of objectives (strategies) which are listed below.

1. To create long term permanent, private sector jobs with sufficient income for the unemployed and under employed.
2. To create gap financing and encourage other capital attraction to assist conventional financing.
3. To provide incentive loans – for industrial attraction, expansion and retention, for commercial expansion; for small business development being start-up or retention.
4. To provide incentive loans – in the redevelopment of blighted land, buildings, and/or related facilities; for the modernization and use of new technologies, growth industries, and /or high-tech, firms.
5. To provide incentive loans – to assist in the development of businesses owned and operated by minorities, women and members of other economically disadvantaged groups.

### **Financing Policies**

The effectiveness of this RLF project as a development tool is dependent on the lending policies and financing techniques. These may include, but are not limited to;

1. Modifying the repayment terms, such as deferral of initial principal or interest payment.
2. Taking greater risks than conventional financing are prepared to take, when substantial economic development benefits may be obtained.
3. Providing below market interest rates. Terms will vary depending on the use of the loan proceeds.

### **Fees**

Application fees are assessed on the acceptance of a loan application in the amount of \$100.00. No fee for the preliminary loan application.

UPON COMPLETION AND APPROVAL OF THE PRELIMINARY LOAN APPLICATION THE FOLLOWING INFORMATION REQUIRED FOR EDA TITLE IX REVOLVING LOAN FUNDS THROUGH THE PIKE CO/PETERSBURG LOAN ADMINISTRATION BOARD.

1. Financial statements for the past three (3) years.
2. Two (2) years financial projections. (including at least balance sheets, profit and loss statements and debt structuring)
3. Statement of Uses of Loan Proceeds
4. Bank Commitment letters for balance of financing
5. Information about company's products and services
6. Legal opinion concerning site control of project property
7. Summary of company history
8. Resumes of principals in company
9. Site plan of project site including existing building, proposed demolition (if any), proposed new construction, parking, etc
10. Narrative description of existing facility including approximate age of various building episodes, current state of repair, etc
11. Letter from chief executive officer of company which specifies the total investment to be made, the number of long-term permanent jobs to be created during a specified time period, and the significance of the public sector low-interest loan funds to the investment.
12. Name, addresses, telephone numbers and contact person for each funding source.
13. Statement of environmental impacts, if any, associated with the project

Standards for the RLF

1. LEVERAGING RATIO: The RLF would seek to leverage RLF funds with at least two private sector dollars (\$2.00) to one RLF dollar (\$1.00).
2. JOB/COST RATIO: The average cost per job created or retained by RLF loans would be \$10,000.00 or less.
3. Businesses which receive RLF loans will be required to give priority interviews to long-term unemployed and dislocated workers. It will be a goal of the RLF to fill 33% of the jobs created with qualified dislocated and long-term unemployed works.
4. The type of jobs to be created/saved are semi-skilled industrial and commercial jobs in the manufacturing sector and skilled and semi-skilled jobs in the service sector. These jobs are suited to the target population of Pike County and the City of Petersburg.

## RFL LOAN SELECTION CRITERIA

Applicant's name, address and phone number  
Names of all involved parties  
Number of existing employees and the number of new jobs created or retained  
Amount of loan requested  
Other funding source, private or leading institution  
Percentage for capital, equipment, construction, operating  
Brief history of business and plans for project

AFTER THIS HAS BEEN APPROVED FULL APPLICATION WILL BE REQUESTED

Current Personal Financial Statement  
Current Business Financial Statement  
(2) year financial projections  
Detailed/itemized list of projected use of funds  
Bank commitment letters  
Copy of site ownership (deed)  
Site plan/sketch  
Narrative description of existing facility  
Letter from chief executive officer which specifies the investment to be made, # of jobs to be created  
Application fee of \$100.00

Minimum interest rate a RLF may charge is four percentage points below the current money center bank prime rate as quoted in the Wall Street Journal, but not less than four percent, or the maximum interest rate allowed under State law, whichever is lower. The rate may be adjusted annually.

The range of the RLF loans is estimated to be \$5,000.00 up to \$125,000. It is preferred that loans be no more than one quarter (1/4) of the total RLF.

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P.O. BOX 162

PETERSBURG, IN. 47567-0162

DATE \_\_\_\_\_ PHONE NUMBER \_\_\_\_\_

NAME \_\_\_\_\_

HOME ADDRESS \_\_\_\_\_

NAME OF BUSINESS \_\_\_\_\_

BUSINESS ADDRESS \_\_\_\_\_

TYPE OF BUSINESS \_\_\_\_\_ DATE BUSINESS ESTABLISHED \_\_\_\_\_

BUSINESS PHONE NO. \_\_\_\_\_

NAME AND ADDRESS OF BANK \_\_\_\_\_

**CURRENT**

NO. OF FULL TIME EMPLOYEES \_\_\_\_\_

NO. OF PART-TIME EMPLOYEES \_\_\_\_\_

**PROPOSED PROJECT**

FULL TIME JOBS TO BE CREATED \_\_\_\_\_

PART-TIME JOBS TO BE CREATED \_\_\_\_\_

FULL TIME JOBS TO BE RETAINED \_\_\_\_\_

PART-TIME JOBS TO BE RETAINED \_\_\_\_\_

TOTAL PROJECT COST \$ \_\_\_\_\_

APPROXIMATE AMOUNT BEING REQUESTED FROM REVOLVING LOAN FUND \$ \_\_\_\_\_

**USE OF FUNDS & PERCENTAGES**

OPERATING \_\_\_\_\_ %

REAL ESTATE \_\_\_\_\_ %

EQUIPMENT \_\_\_\_\_ %

OTHER/EXPLAIN \_\_\_\_\_

EQUITY \_\_\_\_\_ COLLATERAL \_\_\_\_\_

SIGNATURE \_\_\_\_\_

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PROVIDE A BRIEF NARRATIVE OF YOUR PROJECT. THIS NARRATIVE SHOULD INCLUDE A BREAKDOWN OF PROJECT COSTS BY CATEGORY AND THE PROPOSED SOURCES OF FINANCING SECURITY FOR THE LOAN. A BRIEF HISTORY OF THE BUSINESS/PRODUCTS OR SERVICES SHOULD ALSO BE PROVIDED.

FOR BOARD USE ONLY
FILED _____
REVIEWED _____
APPROVED _____
REJECTED _____