

**Main Street Texarkana USA
Revolving Loan Fund
Application Package**



**Committed to providing a source of financing
that enables business to
Thrive and grow.**

**MAIN STREET TEXARKANA USA
REVOLVING LOAN FUND
APPLICATION PACKAGE**

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Please deliver your application, with cover letter, to:

**Main Street Texarkana USA
PO Box 631
Texarkana USA 75501
903-792-7191**

**MAIN STREET TEXARKANA USA
REVOLVING LOAN FUND
LETTER TO APPLICANT**

Dear Applicant:

Thank for your commitment to growing your business in downtown Texarkana!

The purpose of the Main Street Texarkana USA Revolving Loan Fund (RLF) is to ensure that businesses like yours grow and prosper within the downtown. We're glad you've chosen to seek financial assistance through our RLF. Working together with you and your bank we hope to enable you to accomplish the goals you've set for your business.

This application packet asks a series of questions aimed at determining the following:

- Your business activity, products and services
- Your business's viability and potential for growth
- Your financial commitment and commitment to maintaining your company in the downtown
- The RLF's ability to meet your financial gap
- The level of risk the RLF takes on by assisting your company
- How well your business fits into the economic development plan of the City

We also require a number of submittals to support the information you're giving us. We encourage you to use the checklist contained within the application to ensure that you have supplied all the documents we need to adequately assess and approve your request. We promise to utilize great care in the handling and sharing of your documents.

We assume that you are working with your local banker to complete this application. However, if you are new to our City, welcome and let us help you connect with our local banks so that you can choose a financial institution to assist you, and to make this application process as easy as possible.

Again, we thank you for doing business in Texarkana, where we take pride in our business-friendly environment! If you have any questions, please don't hesitate to call the Main Street Texarkana USA office at 903.792.7191.

With kindest regards,

Main Street Texarkana USA



Main Street Texarkana USA

Revolving Loan Fund

Main Street Texarkana USA created the Texarkana USA Economic Development Corporation Revolving Loan Fund (RLF) to improve the quality of life in Texarkana USA by contributing to long-term improvement in the local economy.

The RFL is a pool of money granted by federal, state, and local entities as well as private contributions for the purpose of making low interest loans to assist with local economic and community development projects. Our priorities include investments that drive job creation and retention, business development, and new construction projects with a focus on preservation and rehabilitation of existing structures located in Downtown Texarkana USA. Texarkana USA has millions of government dollars invested in public property and infrastructure. The Main Street Texarkana USA EDC recognizes that it is good public policy to protect this investment while increasing Texarkana USA's existing tax base.

Eligible Applicants include organizations involved in community or economic development projects.

- New or Expanding Private Businesses
- Local Governments
- Non-profit Community Development Organizations

Eligible Uses of Funds include

- Land Purchase
- Buildings
- Fixed Assets
- Machinery & Equipment
- Infrastructure

Ineligible Uses of Funds

- Pre-development Cost
- Cost not defined as "Cost of Work" as defined by the American Institute of Architects.

- Developer Fees, Profit, and Overhead
- Refinances

Loan Amount

- Minimum Loan Amount \$50,000
- Maximum Loan Amount \$400,000

Interest Rates will vary from 0% to Wall Street Journal Prime Plus + 4.25%

Terms

- Principal and interest payment schedules are based on the cash flow of the business and use of proceeds-
 - o Land and Buildings 15 Years
 - o Machinery and Equipment 7 -10 Years
 - o Inventory and Working Capital 5 -7 Years
- Principal payments may be deferred if projections do not show the ability to pay principal right away.
- Where necessary, interest may be capitalized for a period of time.
- There is no penalty for prepayment of an RLF loan.

Collateral

- RLF loans are secured by the best collateral position available and can be subordinated.
- Personal guarantees of the owner(s) of the business are required.

Fees

- Origination fee of 1% of loan amount
- Miscellaneous fees incurred in the process of approval and closing (i.e. credit bureaus inquiries, mortgage filings, U.C.O searches and filings, appraisals, title work, etc.)

Please note that the overall portfolio must maintain a leverage ratio of 2:1, private to RLF funds. Therefore some loans may be made without a private match, but these are held to a minimum. Owner participation will generally be 20% of the total project cost.



Revolving Loan Fund Application

Applicant's Name and Contact Information

Date of Submission: _____

Company Name: _____ Date Established: _____

Type of Company/Organization: LLC S Corporation C Corporation LLP Partnership
 Sole Proprietorship Non-Profit Organization

Company Mailing Address: _____

Project Address (If Different): _____

Contact Person: _____ Title: _____

Contact Address: _____

Telephone Number: _____

Email Address: _____ Website: _____

Management Information (owner(s), officer(s), director(s), & shareholder(s) who own 20% or more shares of the company)*

Name	Title	% Ownership

*Personal financial statements and tax returns are required for those with 20% or greater ownership interest. The Main Street Texarkana Revolving Loan Fund and/or its agents reserve the right to obtain **credit bureaus** on any business or individual in connection with this application.

Bank Information

Name of Lead Bank and Contact Person: _____

Phone Number: _____ Email Address: _____

Amount and Terms Requested

Amount of Loan: _____ Use of Funds: _____

Repayment Terms: _____

Anticipated Uses and Sources of All Project Funds

Sources include the loan you are requesting from the Main Street Texarkana Revolving Loan Fund plus any other financing that will go into the project, including but not limited to bank financing and owner cash. Uses include equipment purchases, working capital, construction costs, etc. The total sources must equal the total uses.

Source(s)	Amount(\$)		Use(s)	Amount(\$)
MST RLF				
Total:			Total:	

Projected Full-Time Employment

Existing Full-Time Positions		Position / Title	Full-Time Positions Created			
Avg. Hourly Wage	Number of Existing Positions		Avg. Starting Hourly Wage	Number Created Year One	Number Created Year Two	Total Number Created

Collateral

Type of Collateral	Present Market Value (\$)	Present Loan Balance (\$)
Land & Building		
Machinery & Equipment		

THE FOLLOWING EXHIBITS MUST BE COMPLETED WHERE APPLICABLE AND INCLUDED AS PART OF YOUR APPLICATION. *The Main Street Texarkana Revolving Loan Fund reserves the right to request additional information above and beyond this list.*

- Tax return and balance sheet/profit and loss statements for last three fiscal years.
- Balance sheet and profit and loss statement for an interim period not more than ninety days preceding the date of application.
- Schedule of business debt.
- Balance sheet and profit and loss statement projections for two years from date of application. Include assumptions.
- Business description and financing proposal. This should include a brief company history and a description of the financing proposal; a discussion of your industry, sales and markets; discussion of competition; and other matters relevant to your application. **All applicants on behalf of entities in business less than two years will submit a business plan.**
- Resumes of all individuals listed under "Management", with home addresses and phone numbers.
- Personal financial statement and most recent personal tax return of principal owners (owners with 20% or more ownership).

Please Answer the Following Questions (Check box that applies)

	YES	NO
Has the company, any officer, subsidiary or affiliate of your company been involved in any bankruptcy or insolvency proceedings in the last 36 months? <i>If yes, please provide the details as a separate exhibit.</i>	<input type="checkbox"/>	<input type="checkbox"/>
Has the company, any officer, subsidiary or affiliate of your company been involved in any lawsuits in the last 36 months? <i>If yes, please provide the details as a separate exhibit.</i>	<input type="checkbox"/>	<input type="checkbox"/>
Does the company, any officer, subsidiary or affiliate have any outstanding tax liens?	<input type="checkbox"/>	<input type="checkbox"/>
Does the company, owner(s), or member of Management Team have a controlling interest in other businesses? <i>If yes, please provide their names and relationship with your company along with a current balance sheet and income statement for each as a separate exhibit.</i>	<input type="checkbox"/>	<input type="checkbox"/>
Does your company buy from, sell to, or use the services of any concern in which owner(s), shareholder(s) or member(s) of the management team have a significant financial interest? <i>If yes, please provide the details as a separate exhibit.</i>	<input type="checkbox"/>	<input type="checkbox"/>
Are any of the individuals listed under "Management" on parole or probation? <i>If yes, please provide the details as a separate exhibit.</i>	<input type="checkbox"/>	<input type="checkbox"/>
Have any of the individuals listed under "Management" been convicted of a crime? <i>If yes, please provide the details as a separate exhibit.</i>	<input type="checkbox"/>	<input type="checkbox"/>

BY SIGNING BELOW, THE APPLICANT

- certifies that to the best of its knowledge and belief, the information being submitted to the Regional Business Fund, Inc. and its agent is true and correct;
- certifies that the applicant is in compliance with all laws, regulations, ordinances, and orders of public authorities applicable to it;
- certifies that the applicant is not in default under the terms and conditions of any grant or loan agreements, leases, or financing arrangements with its other creditors;
- certifies that the Main Street Texarkana Revolving Loan Fund and its agent is authorized to obtain a credit check on any principal or business associated with this application for the purposes of determining credit worthiness;
- agrees to reimburse the Main Street Texarkana Revolving Loan Fund and its agent for any reasonable expenses made in connection with this loan request, including, but not limited to, title work, legal fees, appraisals, recording/filing fees, etc.;
- certifies that the applicant has disclosed and will continue to disclose any occurrence or event that could have an adverse material impact on the project. Adverse material impact includes but is not limited to lawsuits, criminal or civil actions, bankruptcy proceedings, regulatory intervention or inadequate capital to complete the project; and
- understands that unless it qualifies as a trade secret, all information submitted to the Main Street Texarkana Revolving Loan Fund is subject to Texas or Arkansas Open Records Law.

In the event credit is extended, the applicant agrees to complete a direct payment authorization form allowing loan payments to be electronically debited via automatic clearing house (ACH).

Signature	Date	Title
Print Name	Social Security #	
Signature	Date	Title
Print Name	Social Security #	

Please submit application to:

Main Street Texarkana Revolving Loan Fund - PO Box 631 – Texarkana USA 75501

PH (903) 792-7191

David J. Potter II, - david@potter-properties.com

Nita Fran Hutcherson – nfhutcherson@texarkana.org