

**PHILLIPS AREA MICRO-LOAN PROGRAM
LOAN APPLICATION PACKAGE**

**Please fill out application, attach the documents listed below and
Deliver to Phillips Town Office or Mail to
The Phillips Area Micro-Loan Program, 15 Russell St, Phillips, ME 04966**

(207)639-3561

Checklist of documents to include with the submission:

- 1. Completed and signed loan application.**
- 2. Business Plan.** It is strongly recommended that the applicant work with a professional service such as AVCOG in the plan development and financial report preparation. Include, at a minimum, a description of services, a marketing plan, a description of management and company structure and preliminary financial projections
 - a. Business Balance Sheets:** Both historical and projected assets and liabilities for the current year and the next two years. (Do not duplicate data from the Personal Financial Statement)
 - b. Profit and Loss Statements:** Past fiscal year and projected for the current year and the next two years.
 - c. Cash Flow Exhibit.** Cash flow must show the expected monthly income and monthly expenses in detail for the next two years.
 - d. Project budget.** For at least next two years itemizing all costs
 - e. Resumes** of principals and/or management.
- 3. Personal financial statements** of principals with greater than 20% ownership in business:
 - a. Current Balance Sheet** showing details of all personal assets and personal liabilities and debts. Personal financial information is separate from business information. Information included here should not be shown on the business balance sheet and vice versa.
 - b. Monthly Cash Flow** showing itemized detail of personal monthly income and monthly expenses.
- 4. Federal tax returns** (two prior years) for all parties to the proposed loan. Personal and corporate if applicable.
- 5. Credit Report(s)** obtained by the applicant from any of the three major credit agencies. Such report(s) must include all parties to the proposed loan. Free credit reports may be obtained from **www.annualcreditreport.com**.
- 6. Documentation** showing ownership of property or anticipate real property conveyances such as sales agreement, purchase options or lease agreements that are pertinent to the loan.
 - Loan Collateral description** and applicable documentation that substantiates the fair market value of such collateral.

PLEASE SUPPLY EIGHT (8) COPIES OF ALL DOCUMENTATION WITH APPLICATION

**PHILLIPS AREA
MICRO-LOAN PROGRAM GUIDELINES**

PURPOSE

TO PROVIDE AFFORDABLE FINANCING TO NEW AND EXISTING BUSINESSES IN THE TOWNS OF PHILLIPS AND AVON AND THE UNORGANIZED TERRITORY OF MADRID IN ORDER TO CREATE OR RETAIN JOBS FOR LOW/MODERATE INCOME CITIZENS.

LENDING CRITERIA

The business must be located within the boundaries of Phillips, Avon or Madrid in Maine.

Priority will be given to businesses that create or retain jobs, especially for low and moderate income residents. Applicants for Micro-Loan funds must be an owner, partner, chief executive officer or have power-of-attorney to apply for financing.

ELIGIBLE ACTIVITIES

Real property acquisition, construction or rehabilitation, which is essential to the operation of the business (except for housing related projects), capital equipment, on-site utilities, inventories or working capital.

AMOUNT OF FINANCING AND TERMS

Loans can be \$2,500 to \$25,000. Low fixed interest rates. Terms up to 15 years.

FINANCING REQUIREMENTS

Loans that exceed \$15,000 may require a dollar-for-dollar match of money for the portion that exceeds \$15,000. The Micro-Loan program is not intended to be the lender of first resort. Available bank financing or personal resources should be pursued first. Other loan conditions may apply as established by the Loan Review Committee.

COLLATERAL REQUIREMENTS

All loans must be 100% secured with sufficient collateral.

APPLICATION COSTS & FEES

There is no application fee. However, any costs incurred by the applicant in preparing documentation for the application to the Micro-Loan program will be borne by the applicant as well as any costs associated with legal document preparation, review, recordings, filing and closing documents.

**LOAN APPLICATION TO THE
PHILLIPS AREA MICRO-LOAN PROGRAM**

The following information is submitted as part of my/our application for a business loan from the Phillips Area Micro-Loan Program.

Date: _____

1. Applicant and Business Information:

Applicant: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone Number(s): _____ Fax: _____

Email: _____

Owner SS#: _____

Business Name: _____

Physical Address of Business: _____

Town/County/State/Zip: _____

Mailing Address (if different): _____

Business Telephone: _____ Fax: _____

Web Address: _____ Email: _____

Tax ID # of Business: _____

Type of Business: ___ Sole Proprietor ___ Partnership
 ___ Corporation ___ S Corporation
 ___ LLC ___ Other: _____

Date established: _____ State of Incorporation: _____

Current number of employees (including principals): Full Time: _____ Part Time: _____

Number of jobs created due to this financing: Full Time: _____ Part Time: _____

Number of jobs retained due to this financing: Full Time: _____ Part Time: _____

Description of the business and the reason for this loan application:

II. Management

Number of years experience in this or similar business: _____

List prior business locations within the past 10 years:

Dates From: _____ To: _____ Location: _____

Dates From: _____ To: _____ Location: _____

Dates From: _____ To: _____ Location: _____

For Corporation or LLC please furnish full names and addresses of:

President: _____

Vice President: _____

Secretary: _____

Treasurer: _____

Registered Agent: _____

Director: _____

Director: _____

Director: _____

Director: _____

Director: _____

Proprietors, Partners or Stockholders owning more than 20% shares (names, addresses, % ownership, SS#):

<u>Name</u>	<u>Address</u>	<u>%</u>	<u>SS#</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Describe the qualifications, experience or training which enables you to enter or be successful in this business (attach a resume if available.):

III. Site Control

Does applicant have control of the business site: Yes _____ No _____

If yes, what type of control?

___ Own

___ Lease

Type of Lease: _____

Terms of Lease: _____

Lease/Option: _____

Other: _____

IV. Environmental Impact

Do any of your activities cause any form of pollution or nuisance? Yes _____ No _____

If Yes, please explain:

Does your project need Department of Environmental Protection approval? Yes _____ No _____

If yes, indicate the reason. Include the status of the application process.

Are there any other environmental matters or concerns? Yes _____ No _____

If Yes, please explain:

Describe the adequacy of road, water, sewer, and electrical access to the project:

V. Loan Information

Project Costs/Uses of funds

Land acquisition (_____sq. ft.)	\$_____
Land improvements	_____
Building construction/renovations (____sq. ft.)	_____
Architect/Engineering Fees	_____
Machinery and Equipment	
Describe: _____	
_____	_____
Inventory	_____
Working Capital	_____
Other: _____	_____
Debt pay-off	
Bank: _____	_____
Trade payables (attach list and aging)	_____
Construction loan fees and interest	_____
Contingency	_____
TOTAL Funding Need	_____

Sources of Financing/Funding

Bank: _____	_____
Other Financing (describe):	
_____	_____
_____	_____
Personal Assets (describe):	
_____	_____
_____	_____

Phillips Area Micro-Loan Amount Request:	_____
Total Sources of Funds	_____

VI. Collateral

Describe the machinery, equipment, or real estate or other item(s) offered as collateral or security for this loan. (Note: Passenger cars, passenger trucks, ATVs, snowmobiles, motorcycles and similar vehicles cannot be used as collateral.)

Type Description Owned by Age Market Value Loans Against

VII. Debts

Debts of the Business:

Acct Original Date of Rate of Maturity Monthly Current
Payable to: # Amount Loan Interest Date Payment Amount

Personal Debts of the Applicant:

Acct Original Date of Rate of Maturity Monthly Current
Payable to: # Amount Loan Interest Date Payment Amount

VIII. References

List three credit references and three personal references:

Name Address Phone# Account#

Credit:

- 1. _____
- 2. _____
- 3. _____

Personal:

- 1. _____
- 2. _____

3. _____

IX. Miscellaneous

- a. Is there a co-signer for this loan? ___ Yes ___ No If yes, balance sheet and most recent year federal tax return will be required for the co-signer.
- b. Are there any pending litigation, governmental proceedings, or consent orders against you, other partners or owners, or your business? ___ Yes ___ No If yes, attach description.
- c. Have you, your partners or owners, or your company ever filed bankruptcy? ___ Yes ___No If yes, attach description including type of bankruptcy and current status. If discharged, indicate when.
- d. Have you, your partners or owners, or your company ever been involved in a criminal proceeding? ___ Yes ___No If yes, attach full description.
- e. Do you, your partners or owners, or your company have contingent liabilities as co-signers, endorsers, guarantors or similar obligations? ___ Yes ___No If yes, attach full description.

I understand the Micro-Loan Review Committee is the only power authorized to approve my financing request and that I can rely only upon written evidence that this same Committee has approved my request. Any other communications are preliminary in nature and do not, in any way, constitute a commitment to lend.

I authorize you to make such inquiries and credit checks as you deem necessary and appropriate to verify the accuracy and creditworthiness of this application.

PENALTY FOR FALSE OR FRAUDULENT STATEMENT: USC Title 18, Sec. 1001 provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsified, or makes any false, fictitious or fraudulent statements, or makes or uses and false writing or document knowing the same to contain false, fictitious or fraudulent statement of entry, shall be fined not more that \$10,000 or imprisoned not more than five years, or both."

I certify that the information on this application and related data submitted are true and correct to the best of my knowledge, that I am authorized to sign this application on behalf of this business, and hereby wish to apply for the Micro-Loan amount indicated in item V. above.

Authorized Applicant(s): _____

Date: _____

If Corporation:

Corporation Name: _____

By: _____, Title: _____

Date: _____