

Gloversville Community Development Agency

Economic Development Loan Program

The Program

The Gloversville Community Development Agency loan program was formed for the purpose of promoting economic development in the City of Gloversville. Its goals include:

- Creating jobs in the community, particularly for those in lower income brackets and those who are unemployed.
- Helping new businesses to start up and existing businesses to expand their operations.
- Assisting businesses to retain existing jobs in the community.
- Working in a cooperative relationship with other private business lenders to meet financial needs of growth businesses that represent a higher lending risk.
- Revitalizing downtown Gloversville through expansion of business located there, and the rehabilitation of downtown commercial buildings.

Since its inception, the Community Development Agency has helped over 20 small businesses to start up or expand operations. In addition, many of these loans have leveraged substantial amounts of private investment.

General Guidelines

The Community Development Agency strives to provide financing that best meets the needs of the borrower and the needs of other lenders. Below are general guidelines for a potential borrower.

- The loans should produce or retain one new job for every \$15,000 in loan funds.
- The loans will be made on a small issue basis and will not exceed \$100,000, or be less than \$1,000.
- Financing should leverage other funds, preferably matched by an equal amount from conventional or other financing sources.
- Loans range from 3% to 5% interest, and terms vary from 3 to 15 years.
- The loans will be made only where other financing is not readily available, or where the rates or terms would make it impossible for the company to meet its growth and employment projections
- Loans shall only be made to credit worthy borrowers, and the borrower must have collateral which reasonably equates with the value of the loan.

**GLOVERSVILLE COMMUNITY DEVELOPMENT AGENCY
ECONOMIC DEVELOPMENT LOAN PROGRAM
PRELIMINARY LOAN APPLICATION**

Applicant (Business Name):

Business Address:

Contact Person Name:

Contact Person Address:

Contact Person Phone:

Contact Person Email:

Amount of Loan Requested:

Term (Years) of Loan:

Briefly Describe the nature of the Business:

Briefly Describe the Proposed Project, the Purpose of the Loan, and Other Financing:

Discuss the Number and Types of Jobs to be Created:

**GLOVERSVILLE COMMUNITY DEVELOPMENT AGENCY
ECONOMIC DEVELOPMENT LOAN PROGRAM
LOAN APPLICATION**

BASIC APPLICANT INFORMATION

Applicant (Business Name):
Address:
Contact Person:
Telephone:
Legal Name of Company(If different):
Type of Business:
Year Business Established:
Form of Business: <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship
If a Corporation, Indicate State Incorporated: _____ Date Incorporated: _____
If Using Assumed Name, D/B/A Name: _____ Place D/B/A Filed: _____
Name of Attorney (if any):
Address of Attorney:
Name of Accountant (If Any):
Address of Accountant:

PRINCIPALS

Provide a list of names, addresses and business affiliations of all principals (meaning managers, officers, directors, and shareholders owning 10% or more of stock if a corporation, all partners if a partnership, and the proprietor and business manager if a proprietorship).

Name:	Affiliation:
Address:	Social Security #:
Name:	Affiliation:
Address:	Social Security #:
Name:	Affiliation:
Address:	Social Security #:
Name:	Affiliation:
Address:	Social Security #:
Name:	Affiliation:
Address:	Social Security #:

PENDING LITIGATION

Is the business presently involved in litigation which would have a material effect on the company's financial solvency? No Yes If yes, please explain below.

BANKRUPTCIES / FAILURES

Has the business, or its affiliates, or any of the managers of the company, or any other concern with which such management has been connected, ever been involved in bankruptcy, creditor's rights or receivership proceedings? No Yes If yes, please explain below.

PRIOR CONVICTIONS / INVESTIGATIONS

Has the business or any of the managers or principals of the business ever been convicted of any crime, or been in the management of or stockholder in any firm or corporation that has been convicted of any crime (other than a misdemeanor or traffic infraction) ?

No Yes

Is the business or any principals of the business currently under active investigation or under indictment for any criminal act under State, Federal, or local law ? No Yes

Is the business or any principals of the business subject to State or Federal tax liens ? No Yes

If the answer to any of above questions is yes, please explain below:

AFFILIATED BUSINESSES

Provide names and addresses of all concerns, that may be regarded as parent companies, subsidiaries or affiliates of the company, including concerns in which the company, or any of its principals, holds an interest greater than 10%. For purposes of this section, ownership by principal's spouse should be attributed to the principals. Organizations in which a spouse holds a greater than 10% interest should also be listed. Indicate the nature of the relationship, the percentage of ownership and the trade or other relationship with the organization listed.

Name of Affiliate	Nature of Relationship & Ownership Interests

CURRENT BANKING RELATIONSHIPS

Please provide the following information for primary business bank accounts.

Name of Bank:

Address:

Contact Person:

Phone:

Type of Account: Checking Savings Loan Other

Name of Bank:

Address:

Contact Person:

Phone:

Type of Account: Checking Savings Loan Other

Name of Bank:

Address:

Contact Person:

Phone:

Type of Account: Checking Savings Loan Other

EMPLOYMENT INFORMATION

Please provide the current number of employees of the business (including principals, and the projected number of employees to be added as a result of the proposed loan.

Employment Category	Current Number of Employees	Employees To Be Added
Full Time Employees		
Part Time		
Seasonal		

PROJECT BUDGET / SOURCE & USE OF LOAN FUNDS

Provide the following information on the proposed business investment including cost and source of funding to cover the total cost of the business investment.

Description	Owner Cash	CDA Loan	Other Loan	Total
Real Estate Purchase				
Business Acquisition				
Building Construction/Renovation				
Professional Fees				
Closing Costs				
Construction Period Costs				
Machinery & Equipment				
Franchise Fees				
Licenses, Permits				
Working Capital				
Other: _____				
Other: _____				
Other: _____				
Other: _____				
Other: _____				
Other: _____				
Other: _____				
Other: _____				
Other: _____				
Totals				

FINANCIAL PROJECTIONS

Provide projected profit and loss and cash flow statements in the format indicated below. This information can be provided as computer generated spread sheets, however, a format similar to the one below should be used.

Description	Year 1	Year 2	Year 3
1. Revenue			
2. Cost of Sales			
3. Gross Profit			
Operating Expenses			
4. Rent			
5. Utilities			
6. Insurance			
7. Telephone			
8. Maintenance			
9. Legal/Accounting			
10. Depreciation			
11. Real Estate Taxes			
12. Other _____			
13. Other _____			
14. Other _____			
15. Total Operating Expenses			
16. Net Operating Income (Line 3 - Line 15)			
Debt Service			
17. DAB Loan			
18. Other Lender _____			
19. Other Lender _____			
20. Other Lender _____			
21. Other Lender _____			
22. Total Debt Service			
23. Cash Flow (Line 16 minus Line 22)			

EXISTING DEBT

Please provide the following information for any outstanding loans and liens, including installment loans, officer and shareholder loans, notes and mortgages payable, and capitalized leases.

Lender or Lessor	Original Loan	Interest Rate	Current Balance	Monthly Payment	Collateral Pledged for the Loan or Lease

PROPOSED COLLATERAL

Please provide the following information for any collateral that is being offered to secure the proposed DAB loan.

Real Estate Address or Collateral Description	Original Cost	Current Value	Existing Liens or Mortgages	
			Lender	Loan Balance

TRADE REFERENCES

Please provide a list of major customers and suppliers and creditors.

Customers		Suppliers & Trade Creditors	
Name	Phone #	Name	Phone #

AGREEMENTS AND CERTIFICATIONS

- A. The applicant certifies that neither the applicant, its officers or agents has entered into agreement, whether written or implied, for the payment of any money, compensation or thing of value as a fee for professional or other services rendered as a brokerage commission, or as a "finder's fee" or as any other kind of payment, which is dependent upon or contingent upon the approval making of a loan by the CDA Loan Program.**

- B. The applicant certifies that all information contained in this application and all supporting documentation is true and complete to the best of the applicant's knowledge.**

- C. The applicant certifies that to the best of his or her knowledge, the company is in compliance with all federal and state laws and legislation, including regulations dealing with the hiring of illegal aliens and equal employment opportunity.**

- D. The applicant grants the Community Development Agency (CDA) the right to independently verify any or all of the information herein, and understands that CDA may refuse to approve the application or may revoke a commitment made if there is any material misrepresentation in the application, including attachments thereto.**

- E. In consideration of any management and technical assistance that may be provided, the applicant waives all claims against MLP, the Board of Directors of the CDA its consultants, and the City of Gloversville.**

- F. The applicant authorizes disclosure of information submitted in connection with this application to any financial institution agreeing to participate in the loan.**

- G. The applicant authorizes the CDA to obtain a credit report on the applicant, or to make inquiries into the credit worthiness of the applicant.**

Signature of Applicant

Date

STATE OF NEW YORK)
COUNTY OF FULTON) ss.:

_____, being duly sworn, deposes and says that the applicant is the president, partner or sole proprietor of _____, the company described in the foregoing application; that the applicant has read the foregoing application and knows the contents thereof; that the same is true to his or her own knowledge except as to those matters therein stated to be alleged upon information and belief, and as to those matters the applicant believes it to be true; that the applicant has read and understood the agreements and certifications set forth herein, and that the execution of this application has been duly authorized by the board of directors of the company, if a corporation.

Applicant Signature

Sworn to before me this _____ day of _____, 20_____

Notary Public

ATTACHMENTS

Please provide the following attachments, which are considered a part of this loan application. Each attachment is to be labeled with the letter indicated below.

Attachment	Description
A	Management Resumes
B	Last Three Years Business Financial Statements (If applicable)
C	Current Interim Business Financial Statement
D	Personal Financial Statements of Principals
E	Personal Tax Returns of Principals (Three Years)
F	Company History & Business Plan*
G	Cost Documentation - Property Appraisal (If Applicable)
H	Cost Documentation - Real Estate/Business Purchase Contract (If Applicable)
I	Cost Documentation - Machinery & Equipment Lists and Prices (If Applicable)
J	Other Financing Commitments (If Applicable)

* Note: Attachment F - Company History and Business Plan to include the following items at a minimum.

1. Company History

- a. Date established
- b. Ownership
- c. Employment data

2. Company Operation

- a. Description of products and services
- b. Territory covered
- c. Customers/markets
- d. Supply sources
- e. Description of present facilities
- f. Competition

3. Affiliated Companies

- a. Names and ownership
- b. Description

4. Projections

- a. Three years of projections
- b. Assumptions underlying projections
- c. Industry outlook
- d. Explanation of variance from historical performance

**ATTACHMENT D
GLOVERSVILLE COMMUNITY DEVELOPMENT AGENCY LOAN PROGRAM
PERSONAL FINANCIAL STATEMENT**

As Of _____, 20____

This form is to be completed for each proprietor if a proprietorship, or every partner if a partnership, or each stockholder owning 10% or more of the voting stock and each corporate officer and director if a corporation, and all persons or entities providing a guaranty on the loan.

Name: _____ Business Phone: _____

Residence Street Address: _____ Residence Phone: _____

City, State, and Zip Code: _____

Business Name of Applicant/Borrower _____

ASSETS		(Omit cents)	LIABILITIES		(Omit Cents)
Cash on Hand & In Banks	\$		Accounts Payable	\$	
Savings Accounts	\$		Notes Payable (Describe in Section 2)	\$	
IRA or Other Retirement Acct	\$		Auto Loans Payable (Describe in Section 2)	\$	
Accounts & Notes Receivable	\$		Mortgages on Real Estate (Describe in Section 4)	\$	
Life Insurance-Cash Value (Complete Section 8)	\$		Loans on Life Insurance	\$	
Stocks & Bonds (Complete Section 3)	\$		Other Loans Payable(Describe in Section 2)	\$	
Real Estate (Describe in Section 4)	\$		Unpaid Taxes (Describe in Section 6)	\$	
Automobile - Present Value	\$		Other Liabilities (Describe in Section 7)	\$	
Other Personal Property (Describe in Section 5)	\$		Total Liabilities	\$	
Other Assets (Describe in Section 5)	\$		Net Worth	\$	
Total Assets	\$		Total Net Worth and Liabilities	\$	

Section 1. Source of Income			Contingent Liabilities		
Salary	\$		As Endorser or Co-Maker	\$	
Net Investment Income	\$		Legal Claims and Judgements	\$	
Real Estate Income	\$		Provision for Federal Income Tax	\$	
Other Income (Describe Below)*	\$		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 to have such payments counted toward total income.

Section 2. Notes Payable to Banks and Others, Auto Loans, and Other Non-Real Estate Loans (Use attachments if necessary. (Each attachment must be identified as a part of this statement and signed.)

Name and Address of Note Holder(s)	Original Balance	Current Balance	Payment Amount	Frequency (Monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)					
Number of Shares	Names of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation	Total Value

Section 4. Real Estate Owned (List each parcel separately, Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).			
	Property A	Property B	Property C
Address of Property			
Type of Property			
Name & Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address			
Mortgage Balance			
Monthly Payment			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment, and if delinquent, describe delinquency)

Section 6. Unpaid Taxes (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities ((Describe in detail).

Section 8. Life Insurance Held (Give fact amount and cash surrender value of policies - name of insurance company and beneficiaries.)

Signature:	Date:	Social Security Number:
Signature:	Date:	Social Security Number: