

Clear Creek Economic Development Corporation

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

**Business Loan Fund Program
For Clear Creek and Gilpin Counties**

LOAN APPLICATION PACKAGE



502 Sixth Street P.O. Box 2030
Georgetown, CO 80444
303.569.2133 or 303.569.3940 (fax/phone)
clearcreekec@earthlink.net

Clear Creek Economic Development Corporation

The Clear Creek Economic Development Corporation has been in existence since 1985 and has loaned out \$7.4M in business loans and leveraged \$17.6M in the communities it serves.

CCEDC administers five types of loan programs to meet the needs of most small to medium size businesses in Clear Creek, Gilpin, and Grand Counties and the Town of Morrison.

- CDBG loans draw down new funds from the State and are loaned out starting at the prime rate. The lending limit is \$100,000 and the funds are tied directly to job creation - with one job credited for every \$20,000 borrowed. Loans above \$100,000 require State approval. These funds can be used to purchase real estate, for working capital, furniture, fixtures and equipment and inventory.
- Loans from CCEDC's Revolved Funds have more flexibility in terms of uses, terms and rates as the funds have been released from most of the federal guidelines. The terms are set by the Loan Committee and do not always have to meet the job creation requirements. The lending limit is usually \$100,000 but a higher request will be considered on a case by case basis.
- The Small Business Assistance Program (SBAP) makes loans up to \$20,000 for the purchase of equipment, emergency cash flow needs, marketing or uses approved under other programs. The approval process is usually faster and paperwork somewhat less involved. The term and rate is determined during the review process. This has proved to be a very popular program and seems to be meeting the needs of the small businessperson.
- The MicroEnterprise Loan Program is a low documentation, fast turnaround program focused on the small business also using new funds from the State. The lending limit is \$100,000. Guidelines look at number of employees and assets of a business. Technical assistance grants can be awarded with this program to assist the business owner with financial or management training.
- Focused on enhancing the appearance of businesses, the Mini Micro Business Loan has a lending limit up to \$2,000, a zero percent interest rate, a term of up to six months, and must be used to enhance store fronts, signage, or the visual appearance of a business.

CCEDC offers technical assistance for developing business plans, cash flow analyses and growth issues for existing and new businesses. The Corporation also assists companies with other financing options depending on the needs of the business. CCEDC has a loan committee with financial and business representation.

CLEAR CREEK AND GILPIN COUNTY
BUSINESS LOAN FUND
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

ADMINISTERED BY: Clear Creek Economic Development Corporation, Inc.
502 Sixth Street, 2nd Floor
P.O. Box 2030
Georgetown, CO 80444
303.569.2133 or 303.569.3940 (fax/phone)
clearcreekec@earthlink.net

PRELIMINARY APPLICATION

1. **RLF HIGHLIGHTS**
A one-page document describing the main features of the BLF Program.
2. **LOAN APPLICATION**
A loan application requesting basic business and loan information.
3. **SUPPLEMENTAL LOAN APPLICATION MATERIALS LIST**
A one-page document describing all of the supplemental materials required for a complete loan application package.
4. **JOB DEVELOPMENT STATEMENT**
A statement to be completed by the borrower describing the types of jobs to be created and the proposed time frame.
5. **HUD-CDBG ASSURANCES**
A document which will be an attachment to the loan agreement which details the requirements governing the use of these BLF monies which are from a federal grant.
6. **ADDITIONAL WORKSHEETS**
We have included an outline that will help you to create a business plan, as well as, a formatted worksheet to assist you with your income projections.

If you have any questions about this loan program, please contact Peggy Stokstad at the Clear Creek Economic Development Office at 303.569.2133.

LOAN APPLICATION
FROM
CLEAR CREEK AND GILPIN COUNTIES
BUSINESS LOAN PROGRAM

1. PRELIMINARY INFORMATION: Date _____
Amount of Request _____

Business Name (specify dba) _____
 Contact Person (title) _____
 Mailing Address _____
 Physical Address of Business _____
 County (business location) _____ Empl. I.D.# _____
 Phone Number (work) _____ (home) _____
 Email Address _____ (cell) _____
 Type of Business (Manu., Retail, Service, Etc.) _____
 Bank with Business Account _____
 Bank Contact Person _____ Account# _____
 Bank Address _____
 DUNS# _____

2. TYPE OF BUSINESS OWNERSHIP:

Sole Proprietorship Partnership Corporation sub S Corporation

Date Business Established _____ Duration of Current Ownership (Mos.) _____

Business Ownership List

(Proprietors, all partners and stockholders owning 5% or more of outstanding stock)

Name	% Ownership	Title or Position	Time with Company (months)	Social Security Number

Names of all Corporate Officers

Name	% Ownership	Title or Position	Time with Company (months)	Social Security Number

5. SOURCE OF PROCEEDS:

Show all sources of financing for this project.

Bank Loan	\$ _____
Bank Loan (SBA Guarantee)	\$ _____
Mortgage (other than Bank)	\$ _____
Equipment Finance (non-Bank)	\$ _____
Other (Specify)	\$ _____
Borrower's Participation (minimum of 5% of loan amount)	
Cash	\$ _____
Non-Cash	\$ _____
Total Clear Creek Economic Development Corporation Funding Requested	\$ _____
Total Project Amount	\$ _____

6. USE OF PROCEEDS:

Total project costs from all sources of funding including borrower's funds. Please indicate the exact uses of this RLF loan request with **(BLF)** written to the side.

Purchase of Real Estate	\$ _____
New Construction of Building and Fixed Assets	\$ _____
Building Expansion or Repair	\$ _____
Acquisition of Existing Business	\$ _____
Purchase of Machinery and Equipment	\$ _____
Purchase of Furniture and Fixtures	\$ _____
Purchase of Inventory	\$ _____
Working Capital or Operating Expenses	\$ _____
Other (Specify)	\$ _____
Total Project Amount	\$ _____

7. DETAILED EXPLANATION OF BORROWER PARTICIPATION:

What amount will borrowers have invested in the business? (State if investment is in cash, equipment, real estate, etc.)

Investment	Value
	\$
	\$
	\$
TOTAL	\$

Does your business have any subsidiaries or affiliates (including owner leasing arrangements)? Yes No

Does your business have any licensing agreements or royalty payments required for any of the business products? Yes No

If yes, please provide their names and the relationship with your company. For subsidiaries or affiliates provide a current balance sheet and operating statement for each as an attachment.

Have you or any officers of your company ever been involved in bankruptcy or insolvency proceedings? Yes No
 If so, please give details in an attached letter.

Are you or your business involved in any potential or pending lawsuits? Yes No
 If yes, provide details in a supporting document.

ATTACH YOUR BUSINESS PLAN, FINANCIAL STATEMENTS, AND OTHER SUPPORTING DOCUMENTS TO THIS APPLICATION FORM.

I certify that the information included in this application is true and complete to the best of my (our) knowledge. By my (our) signature(s), I (we) acknowledge that I (we) have read the attached CDBG Assurances form and that I (we) agree to comply with the requirements that the Clear Creek Economic Development Corporation, Inc. makes in connection with the approval of my loan request. I (we) also grant permission to the Clear Creek Economic Development Corporation, Inc. to obtain information from my (our) bank, creditors, credit bureau reporting agency or others necessary to evaluate this application.

 Applicant's Signature Title

 Date

 Applicant's Signature Title

 Date

SUMMARY OF COLLATERAL

If your collateral consists of (A) Land and Building, (D) Accounts Receivable and/or (E) Inventory, fill in the appropriate blanks. If you are pledging (B) Machinery and Equipment, (C) Furniture and Fixtures, and/or (F) Other, please provide an additional itemized list (labeled Exhibit A) that contains serial and identification numbers for all items that had an original value greater than \$500. Include a legal description of Real Estate offered as collateral.

	Present Market Value	Present Loan or Mortgage Balance
A. Land and Building	\$	\$
B. Machinery and Equipment		
C. Furniture and Fixtures		
D. Accounts Receivable		
E. Inventory		
F. Other		
TOTAL COLLATERAL	\$	\$

**CLEAR CREEK AND GILPIN COUNTY
BUSINESS LOAN FUND HIGHLIGHTS
(CDBG LOANS)**

1. **INTEREST RATE**
 - Interest rate follows Denver Prime Rate, to be determined at the time of loan processing.
2. **LOAN PARAMETERS**
 - 1 to 10 year terms. Most loans adhere to a 5 year amortization schedule.
3. **JOB DEVELOPMENT**
 - The creation of 1 full-time, low to moderate income job for approximately every \$20,000 loaned.
4. **FEES**
 - Loan Application Fee of \$50 will be due at the time the loan application is submitted.
 - Loan Origination Fee of 2% will be deducted from the loan proceeds at closing.
5. **LEVERAGING**
 - Evidence of inability to secure financing elsewhere must be presented.
 - A minimum of 5% equity participation will be required from buyer at closing depending on the size of the loan request.
6. **LOAN USES**
 - Capital Equipment
 - Other Fixed Assets
 - Purchase of Existing Buildings or Real Estate
 - Inventory
 - Working Capital
7. **SECURITY**

All RLF loans will be adequately secured with a deed of trust or financing statement depending on form of security. Borrowers must provide a personal guarantee in addition to business guarantee.
8. **DISCLOSURE**

Personal and business financial information is confidential. The exact loan amount, terms, borrower, BLF loan agreement and business owners will be made available to the public.
9. **LOAN AGREEMENT**

All borrowers will be required to sign a loan agreement specifying job creation, compliance with federal regulations and other details outside of the standard promissory note and security agreement.

**CLEAR CREEK AND GILPIN COUNTY
BUSINESS LOAN FUND**

SUPPLEMENTAL BLF LOAN APPLICATION MATERIALS

PLEASE PROVIDE COPIES OF THE FOLLOWING:

1. A copy of existing or proposed lease or purchase agreement.
2. Listing and cost estimates of new machinery and equipment or furniture to be purchased. (List each item separately and list cost per item.)
3. Listing of collateral to be offered as security for the loan.
4. Current (not over 60 days old) Balance Sheet and Operating Statement (Profit and Loss Statement).
5. Copy of Articles of Incorporation, By-Laws, Trade Name Affidavit, Licensing Agreement.
6. Current personal financial statement, and 2 years prior State and Federal Tax Returns.
7. Current Resume(s) of applicant(s).
8. Real Estate Schedule.
9. Cash Flow Projections per month for 1st year, Cash Flow Projections per quarter for 2nd and 3rd year (forms are included in this packet).
10. Market study including competitors and percentage of market to be captured by the project.
11. Project description or business plan that addresses:
 - Ability to generate revenues to repay the loan.
 - The economic and financial viability of the project.
 - Ability of the project to be self-sustaining.
 - Potential business orders.
 - Business Contracts.
 - Purchase Commitments.
12. Proof of business insurance will be required at closing.
13. Obtain a current credit report: Write to Experian, P.O. Box 9529, Allen, TX 75013. Be sure to include your full name (with generation, such as Jr., Sr., II, III, etc.); complete addresses for the past five years; social security number; date of birth; and spouse's first name and social security number, if married.

Or call 1.800.270.6131, 24 hours a day, seven days a week for delivery by U.S. Mail.

Or log on to www.experian.com for instant access.

Or write to NCAC, P.O. Box 9556, Allen, TX 75013, 1.800.493.1058, Monday-Friday, 9am-5pm.

Or write to Trans Union (Consumer Relations), 1561 E. Orangethorpe Ave., Fullerton, CA 92831-5207, 1.800.916.8800, Monday-Friday, 8:30am-4:30pm, except major holidays, or log on to www.transunion.com

**CLEAR CREEK AND GILPIN COUNTY
BUSINESS LOAN FUND**

JOB DEVELOPMENT STATEMENT

1. BUSINESS DESCRIPTION Please give a brief description of your business including your products, services and production methods. Use a separate sheet if necessary.

2. CURRENT JOB DESCRIPTION List all of the different jobs currently associated with your business. Use a separate sheet if necessary.

Job Title	Brief Description of Duties and Tasks	Avg. Hourly Wage	# Of These Jobs

3. FUTURE JOB DESCRIPTION Please describe all of the new job positions to be created as a result of this loan. Use a separate sheet if necessary.

Job Title	Brief Description of Duties and Tasks	Avg. Hourly Wage	# Of These Jobs

4. JOB JUSTIFICATION Please give a brief explanation of why these new jobs will be created as a result of this loan.

I hereby certify that these estimates are accurate to the best of my knowledge.

Applicant's Signature

Title

Date

**CLEAR CREEK ECONOMIC DEVELOPMENT CORPORATION
BUSINESS LOAN FUND**

LOAN AGREEMENT OUTLINE

In addition to the standard promissory note, disclosure statement, and security agreement, the borrower will be required to sign a loan agreement outlining the following:

- Number and types of jobs to be created.
- Ongoing reporting requirements concerning jobs (information on race, income, ethnic group and other information on the business).
- Project description and scope of work with BLF and other funds.
- Disclosure requirements.
- Compliance with HUD-CDBG and Federal requirements.
- Description of collateral.
- Actions and time frame in case of default.
- Due and payable clauses for business sale and other reasons.
- Total project funding outlined for all sources and a time frame for disbursal.
- Name and addresses of all involved parties including firm owners and other financial institutions.

PLEASE READ CAREFULLY AND SIGN SPACES PROVIDED

I hereby represent and warrant that the information set forth above and on the previous page, is true, correct, complete and accurate in all respects, and it is a full and complete disclosure of my financial condition as of the date hereof. This statement is made for the purpose of inducing CCEDC to loan money to me to accept my endorsement or guarantee of the obligations of others. CCEDC is authorized to make such investigation of the representations herein as it deems desirable. This application is the property of CCEDC for all purposes. I further agree to notify CCEDC if there is any material change in my financial condition subsequent to the date hereof and during any time when I may be indebted to CCEDC.

SIGNATURE OF APPLICANT:

DATE:

SIGNATURE OF JOINT APPLICANT:

DATE:

PERSONAL FINANCIAL STATEMENT
CLEAR CREEK ECONOMIC DEVELOPMENT CORPORATION

SECTION 1 - INDIVIDUAL INFORMATION		SECTION 2 - OTHER PARTY INFORMATION	
Name		Name	
Residence Address	How Long?	Residence Address	How Long?
City, State, & Zip		City, State, & Zip	
Position or Occupation		Position or Occupation	
Business Name	How Long?	Business Name	How Long?
Business Address		Business Address	
City, State, & Zip		City, State, & Zip	
Res. Phone	Bus. Phone	Res. Phone	Bus. Phone

SECTION 3 – STATEMENT OF FINANCIAL CONDITION AS OF _____

ASSETS (Do not include Assets of doubtful value)	In Dollars		LIABILITIES	In Dollars	
Cash on hand and in banks			Notes payable to banks-secured		
U.S. Gov't. & Marketable Securities- see Schedule A			Notes payable to banks-unsecured		
Non-Marketable Securities- see Schedule B			Due to brokers		
Securities held by broker in margin accounts			Amounts payable to others-secured		
Restricted or control stocks			Amounts payable to others-unsecured		
Partial Interest in Real Estate Equities- See Schedule C			Accounts and bills due		
Real Estate Owned- See Schedule D			Unpaid income tax		
Loans Receivable			Other unpaid taxes and interest		
Automobiles and other personal property			Real estate mortgages payable- See Schedule D		
Cash value-life insurance- See Schedule E			Other debts-itemize:		
Other assets-itemize:					
			TOTAL LIABILITIES		
			NET WORTH		
TOTAL ASSETS			TOTAL LIAB. AND NET WORTH		

SOURCES OF INCOME FOR YEAR ENDED:	PERSONAL INFORMATION
Salary, bonuses & commissions \$	Do you have a will? If so, name of executor.
Dividends	
Real estate income	Are you a partner or officer in any other venture? If so, describe.
Other income (Alimony, child support, or separate maintenance Income need not be revealed if you do not wish to have it Considered as a basis for repaying this obligation)	Are you obligated to pay alimony, child support or separate maintenance payments? If so, describe.
	Are any assets pledged other than as described on schedules? If so describe.
TOTAL \$	Income tax settled through (date):
CONTINGENT LIABILITIES	
Do you have any contingent liabilities? If so, describe.	Are you a defendant in any suits or legal actions?
As endorser, co-maker, or guarantor? \$	Personal bank accounts carried at:
On leases or contracts? \$	
Legal claims \$	Have you ever been declared bankrupt? If so, describe.
Other special debt \$	
Amount of contested income tax liens \$	

(COMPLETE SCHEDULES AND SIGN ON NEXT PAGE)

initials _____ pg 1 of 2

SCHEDULE A – U.S.GOVERNMENTS & MARKETABLE SECURITIES

Number of Shares Or Face Value (Bonds)	Description	In Name of	Are These Pledged?	Market Value

SCHEDULE B – NON-MARKETABLE SECURITIES

Number of Shares	Description	In Name of	Are These Pledged?	Source of Value	Value

SCHEDULE C – PARTIAL INTERESTS IN REAL ESTATE EQUITIES

Address & Type of Property	Title In Name Of	% Of Ownership	Date Acquired	Cost	Market Value	Mortgage Maturity	Mortgage Amount	Mortgage Payable To

SCHEDULE D – REAL ESTATE OWNED

Address & Type of Property	Title In Name Of	Date Acquired	Cost	Market Value	Mortgage Maturity	Mortgage Amount	Mortgage Payable To

SCHEDULE E – LIFE INSURANCE CARRIED, INCLUDING N.S.L.I. AND GROUP INSURANCE

Name of Insurance Company	Owner Of Policy	Beneficiary	Face Amount	Policy Loans	Cash Surrender Value

SCHEDULE F – BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED

Name & Address of Lender	Credit In The Name Of	Secured Or Unsecured?	Original Date	High Credit	Current Balance

The information contained in this statement is provided for the purpose of obtaining, or maintaining credit with you on behalf of the undersigned, or persons, firms or corporations in whose behalf the undersigned may either severally or jointly with others, execute a guaranty in your favor. Each undersigned understands that you are relying on the information provided herein (including the designation made as to ownership of property) in deciding to grant or continue credit. Each undersigned represents and warrants that the information provided is true and complete and that you may consider this statement as continuing to be true and correct until a written notice of a change is given to you by the undersigned. You are authorized to make all inquiries you deem necessary to verify the accuracy of the statements made herein, and to determine my/our creditworthiness. You are authorized to answer questions about your credit experience with me/us. **IF A JOINT STATEMENT, BOTH SIGNATURES ARE REQUESTED:**

Signature (Individual) _____
 S.S. # _____ Date of Birth _____

Signature (Other Party) _____
 S.S. # _____ Date of Birth _____

Date Signed _____

CLEAR CREEK ECONOMIC DEVELOPMENT CORPORATION

Creating a Business Plan

The following checklist will help you make sure that important points are covered in your summary.

Description of Business

1. Business form: proprietorship, partnership or corporation?
2. Type of business: merchandising, manufacturing or service?
3. What is the product and/or service?
4. Is it a new business? A takeover? An expansion?
5. Why will your business be profitable?
6. When is your business open?
7. Is it a seasonal business?
8. What have you learned about your kind of business from outside sources (trade suppliers, bankers, other business owners, publications)?

Product/Service

1. What are you selling?
2. What benefits are your customers buying?
3. Which products are rising stars? Which are steady cash cows? Which are in decline or investments in ego?
4. What is different about your goods and services?

The Market

1. Who buys from you? Define your target markets.
2. Are your markets growing, steady or declining?
3. Is your market share growing, steady or declining?
4. Have you segmented your markets? How?
5. Are your markets large enough for expansion?
6. How will you attract, hold and increase your market share?
7. Are you planning to enter or leave any markets?
8. How do you price your products?

Location of Business

1. Where are you (or should you be) located?
2. Why is it a desirable area? A desirable building?
3. What kind of space do you need?
4. Are any demographic or other market shifts going on?

The Competition

1. Who are your nearest direct competitors?
2. Who are your indirect competitors?
3. How are their businesses similar to and different from your?
4. What have you learned from their operations? From their advertising?

Management

1. How does your background/business experience help you in this business? For your own use, what weaknesses do you have and how will you compensate for them? What related work experience do you have?
2. Who is on the management team?
3. What are their strengths and weaknesses?
4. What are their duties?
5. Are these duties clearly defined? How?
6. What additional resources are available to your business?

Personnel

1. What are your current personnel needs?
2. What skills will your employees need in the near future? In five years?
3. What are your plans for hiring and training personnel?

Application and Expected Effect of Loan (Investment)

1. How will the loan (investment) make your business more profitable?
2. Should you buy or lease (equipment, your place of business, and so on)?
3. Do you need this money? Establish a procedure for making borrowing decisions, and plan your borrowing.

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David H. Bangs, Jr.
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