

Instructions for Revolving Loan Fund Applications

The following instructions will aid applicants in completing the Revolving Loan Fund application. Applications for the Grand Traverse RLF are reviewed on a monthly basis. To be considered at the current month's meeting applications must be complete and submitted no later than the 15th day of the current month. Applications may be submitted electronically (by email) or in hard copy with signed originals.

Applications should be submitted to:

Grand Traverse County EDC
c/o Traverse City Area Chamber of Commerce
202 E. Grandview Parkway
Traverse City, MI 49684

or

tbedc@tcchamber.org

General Information

The Revolving Loan Fund is part of a federal program that requires job creation and low to moderate income beneficiaries. Eligible jobs must be new positions at your company. State guidelines for this program allow an applicant to borrow up to \$35,000 per created position. A form will be provided to you after approval of your loan to help you gather the required income information from your new employees.

Process Information

Once your application has been submitted, it will be reviewed by the Grand Traverse County EDC Board of Directors. The EDC Board meets the second Thursday of each month at 8:00 a.m. in the Commissioners Chambers on the second floor of the Governmental Center. You and your financial agent will be required to attend to answer questions. If approved by the EDC Board, your application will be forwarded to the Grand Traverse County Board of Commissioners (Board of Commissioners). The Board of Commissioners meets the last Wednesday of the month at 7:00 p.m. in the Commissioners Chamber on the second floor of the Governmental Center. At the Board of Commissioners meeting, a public hearing related to your application will be held per federal regulations. ***A notice of public hearing will be run in the Traverse City Record-Eagle up to ten (10) days prior to the Board of Commissioners meeting.*** The notice will include your company information, the requested loan amount and the purpose of the loan. Once the public hearing has been held, the Board of Commissioners will act on the recommendation provided by the EDC Board. Once approved by the Board of Commissioners the necessary paperwork will be completed and submitted to the Michigan Economic Development Corporation for final approval. Once approval is received from the MEDC, a loan closing will be scheduled. Please note: this is a lengthy and involved process. We estimate a 90 day period from approval from the Board of Commissioners to closing.

If you have any questions, please feel free to contact the Traverse Bay EDC at (231) 995-7105.

INSTRUCTIONS

Section I

General Information

- Organization number – this number is found in your organizational papers.

Section II

Loan Request

- Purpose of Loan – Please provide a brief description of the project requiring funding. A detailed sources and uses of funds spreadsheet has been included at the end of the application.

Section III

Owner's Investment in Project

- Physical Resources – Please list the company assets pledged to this project. For cash assets please indicate the percentage to come from savings or investors.

Section IV

Credit Experience/References – self explanatory

Section V

Market Analysis – If a business plan is submitted with the application this section may be disregarded. Please indicate if your business plan is attached at the top of the section.

- List Existing/Targeted Customers – This is not intended to be a detailed list. For example, if you are an office supply store, your targeted customers could be anyone with a need for office supplies. If you feel uncomfortable sharing your existing customer list publicly, that information will remain confidential at your request.

Section VI

Job Creation – The Revolving Loan Fund is part of a federal program that requires job creation and Low to Moderate Income beneficiaries. A form will be provided to you upon approval of your loan to help you track the necessary information.

- Title of new Position – i.e. CNC Machinist.
- Number to be hired – How many new individuals for this position you intend to hire.
- Full or Part Time – Job creation is counted on a Full Time Equivalency scale. Two part time positions will equal one Full Time position. An individual must work at least 35 hours per week to qualify as full time.
- Wage – Hourly wage this individual will be paid.

Section VII

Financial and Construction Information Required – the information in this section must be submitted with your application if applicable. Please feel free to contact the Traverse Bay EDC if you have questions regarding any of the attachments on the list.

ATTACHMENTS

Attachment I

Letter of Commitment from your bank – This letter must be included with your application and address the following:

- The amount your bank has agreed to lend you.
- The terms of the agreement including interest rate, fixed asset vs. revolving line of credit and repayment terms.
- The acceptable uses for these funds – i.e. machinery and equipment vs. working capital.
- If the bank financing is contingent upon approval of the Revolving Loan Fund application and how a negative outcome from the RLF Application would affect the project.
- Why the bank is either unable or unwilling to finance the entire project.

Attachment II

Project Sources and Uses of Funds – An example of how to use this form is attached in this packet of information. The fund totals on this page should match the amount requested on the application as well as the Letter of Commitment from your bank.

Attachment III

RLF Summary Page – This page is designed to pull financial information on your company to an easy to read summary page for our review team. The information requested can be found in your tax returns and financial information.

- The first row is year-to-date information.
- The second row should be information from the previous year for the same period of time as the first row. If you are entering information for January through June on the first row, please enter the previous year's information for January through June.
- Rows three and four are year-end information for the previous two years.

Attachments IV – XIII – self explanatory