

Fuquay-Varina Economic Development Commission, Inc.

Revolving Loan Application & Guidelines

Guidelines

1. Business loans may be used for:
 - a. Operating capital
 - b. Machinery & equipment
 - c. New building construction & renovation
2. The minimum and maximum loan amounts that can be applied for are \$5,000 and \$75,000 unless authorized by the FVEDC Board of Directors. **All loans are subject to availability of FVEDC funds.*
3. Interest charged is at the discretion of the FVEDC's Board of Directors. Traditionally, interest charged is based on prime rate at closing plus ¼%.
4. Funds are granted based on the applicant's ability to pay and the soundness of the proposed project.
5. The term of the loan is at the discretion of the FVEDC Board of Directors The following guidelines generally apply:

a. Operating Capital	1 – 3 Years
b. Machinery & Equipment	1 – 3 Years
c. Building Renovation and/or New Construction	5 – 7 Years
6. Businesses meeting the following criteria will receive funding priority:
 - a. Gross revenues of \$1,000,000 or less in a calendar year
 - b. Creation or retention of tax paying jobs within the Town of Fuquay-Varina Corporate Limits
 - c. (50) or less employees

**NOTE: In all cases, the business must be located in the Town of Fuquay-Varina's Corporate Limits.*

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Application Instructions

- A. Complete & submit the complete loan application to the Attention of: Jim Seymour, Economic Development Director, Town of Fuquay-Varina, 401 Old Honeycutt Road, Fuquay-Varina, NC 27526. You may also send via US Postal Mail to this same name and address.
- B. Once the application is received, the FVEDC Revolving Loan Subcommittee will review the application package to insure basic qualifications are met and that the application is complete with all supporting documentation. **Applications not completed will not be reviewed!*
- C. If a loan application is approved by the FVEDC Revolving Loan Fund Subcommittee, the loan application will be recommended to the FVEDC Board of Directors to vote and approve/authorize the loan application.
- D. After a decision is made by the FVEDC Board of Directors, an official loan offer letter will be mailed to the loan applicant.

**NOTE: If approved, the loan applicant is responsible for retaining an attorney for closing the loan and for any other associated closing costs.*

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FVEDC Revolving Loan Application Checklist

Completed Application

Completed summary of project and where loan funds will be used

Personal and/or business financial statements showing net worth

Tax records (or other documents) showing value of collateral (if available)

Certification of Flood Plain Status (form included with application package)

Request for Environmental Information (form RD1940-20 included with application)

Non-Discrimination Certification (form included with application package)

Project Funding Sources & Uses Worksheet

In an INCORPORATED Entity:

Articles of Incorporation

Corporate Bylaws

Projected income and expenses for one year

Corporate tax returns and financial statements for past three years (if available)

If an UNINCORPORATED Entity:

Personal tax returns from the past three years

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Application

This is an application for loan assistance from the FVEDC, Inc. Please submit one copy of the application to the FVEDC Office. Please answer all items. Questions not applicable to your project should be answered "N/A". If you have any questions concerning completion of this application, please contact (919) 753-1031.

1. Name of Applicant(s):

2. Address:

3. Please answer the following questions:

My business will generate less than \$1,000,000 in annual revenue	YES	NO
My business will employ less than 50 employees	YES	NO
My business is/will be located in Fuquay-Varina's Corporate Limits	YES	NO

4. Loan amount requested: \$

5. Total cost of project: \$

6. Project Summary:

7. If approved for funding, the FVEDC loan funds will be used towards what part of the project?

(additional project information can be attached to the application)

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8. Type of business:

Sole Proprietorship

Partnership

Corporation

Cooperative

LLC

Other: _____

9. Full name of business:

10. Where is (or will be) your business:

11. Is the business/property owned or leased: Owned

Leased

12. Indicate the number of new jobs your project will create:

13. Indicate the number of jobs your project will retain:

14. Indicate the type of jobs associated with your project's operation:

15. The following person(s) is authorized to negotiate loan terms and conditions and is authorized to provide additional information in connection with this application, which may be required by the FVEDC, Inc.

16. If your business is an incorporated entity, please attach articles of incorporation and by-laws currently in effect, with evidence of adoption and filing (if applicable).

Articles and bylaws attached? YES NO NOT APPLICABLE

17. Has the project been denied financial assistance in the past? YES NO

If YES, please explain reasons for credit denial:

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18. What is your preferred schedule of repayment (frequency of payments & length of term)?
19. List the name and address of all concerns that are subsidiaries, parent organizations, or affiliates of the applicant, including concerns in which the applicant holds a controlling (but not necessarily a majority interest).
20. Has the applicant, its parent or subsidiary ever been bankrupt or subject to a court supervised insolvency proceeding? YES NO
21. Describe the economic impact the project will have on Fuquay-Varina and the region.
22. Will financial assistance from the FVEDC, Inc. revolving loan program play a role in leveraging additional resources? If so, please identify these resources and value.
23. Please describe your business's principle activities and/or services:

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24. Describe our customer and/or end users of your product/services:
25. Describe the management structure of your organization and the experience and background of the board members, key personnel or management. (If necessary, please attached information)
26. If an incorporated entity, please attach the following:
- A. Will real property (land) be purchased with FVEDC funding? YES NO
If YES, a formal appraisal of the property may be required (at the expense of the borrower) before a loan can be approved.
 - B. Identify the collateral you are offering as security for the FVEDC funds (real property, fixed assets, equipment, income, etc.)
 - C. Identify outstanding liens on listed collateral
 - D. If possible, please attach a tax bill or other document showing collateral value

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27. Has the borrower had any claims of violating laws or regulations filed against it by a person, court, organization or federal agency within the past five years? YES NO

If YES, please explain:

Application Certification

The signer(s) certifies that he/she is authorized to execute the application for the business named above, and that the information in this application and any other documents submitted in connection with the application are true, correct and complete. The signer(s) authorizes the FVEDC, Inc. Loan Subcommittee to verify the information and to obtain personal, consumer and/or business credit reports. The signer(s) further agrees to provide additional information upon request and to notify the FVEDC, Inc. Loan Subcommittee promptly of any material change in the information provided in this application.

Signature of Authorized Applicant(s)

Printed Name of Authorized Applicant(s)

Date

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Funding Sources & Uses Form

Project Item	Total Cost	Source of Funds
Real Estate Purchase*		
Construction Costs: <ul style="list-style-type: none"> ▪ Site Prep • New Construction ▪ Renovation • Utilities & Infrastructure • Telecom • Transportation Access • Other (Specify) 		
Machinery and Equipment (attach M&E purchase list)		
Training (attach a description of the training including budget, timeframe, type of training and number of employees to be trained)		
Soft Costs (specify) design and engineering, legal, construction management, etc.		
Other (specify) including relocation and moving expenses		
Total		

In addition to the FVEDC funding, will your project use any other form of public funding?

If YES, please explain: