

**NORTHWEST ALABAMA COUNCIL  
OF LOCAL GOVERNMENTS  
P. O. BOX 2603  
MUSCLE SHOALS, AL 35662**

**REVOLVING LOAN FUND  
APPLICATION**

(NACOLG will check type)

**EDA**

**State RLF #1**

**State RLF #2**

**CONTACT:  
Nathaniel White  
Community Development Specialist  
(256) 389-0553**

**NORTHWEST ALABAMA COUNCIL OF LOCAL GOVERNMENTS  
REVOLVING LOAN FUNDS – EDA PROGRAM (federal)**

|                                |  |
|--------------------------------|--|
| <b>PURPOSE</b>                 | <b>Create/retain jobs and to leverage private sector capital investment.</b>   |
| <b>LOAN LIMITS</b>             | <b>Minimum amount: \$10,000 Maximum - \$125,000</b>  |
| <b>TERMS</b>                   | <b>Land and Building            10 years<br/>Equipment                    7 to 10 yrs.<br/>Working Capital                up to 5 years</b>  |
| <b>RATES</b>                   | <b>Generally less than prime. The minimum allowable is 4% and the maximum is 10%</b>   |
| <b>FEES:</b>                   | <b>\$100.00 – Non-refundable application fee</b>   |
| <b>USES OF FUNDS:</b>          | <b>Purchase and develop land and facilities<br/>Construct new buildings<br/>Renovate or modify existing buildings<br/>Purchase machinery and equipment<br/>Respond to working capital needs</b>  |
| <b>ELIGIBLE APPLICANT</b>      | <b>Small businesses/industries located or expanding in the counties of Colbert, Franklin, Lauderdale, Marion and Winston.</b>  |
| <b>COLLATERAL</b>              | <b>Loans are to be secured by lien positions on collateral at the highest level of priority which can accommodate the borrower’s ability to raise debt and equity capital. Generally personal and corporate guarantees are required.</b> |
| <b>ADDITIONAL REQUIREMENTS</b> | <b>Financial statements<br/>10% equity requirement<br/>Sufficient cash flow to service the debt<br/>A goal of \$10,000 per job created and/or retained</b>   |

**NORTHWEST ALABAMA COUNCIL OF LOCAL GOVERNMENTS  
REVOLVING LOAN FUNDS – STATE**

|                                |   |
|--------------------------------|---|
| <b>PURPOSE</b>                 | Finance commercial/industrial expansion/start-up projects in the region by private for-profit firms.  |
| <b>LOAN LIMITS</b>             | Minimum amount: \$10,000 Maximum - \$250,000*<br>*\$300,000 for projects that create or retain 35 or more jobs  |
| <b>TERMS</b>                   | Land and Building up to 10 years<br>Equipment up to 5 years<br>Working Capital up to 7 years  |
| <b>RATES</b>                   | Generally less than prime. The minimum allowable is 4% and the maximum is 10%   |
| <b>FEES:</b>                   | \$200.00 – Non-refundable application fee   |
| <b>ELIGIBLE USES</b>           | Land acquisition, preparation and associated expenses<br>Building acquisition/construction<br>Machinery/equipment (new or used) and related expenses<br>Working capital   |
| <b>ELIGIBLE APPLICANT</b>      | Manufacturing or industrial business (must be located with region)<br>Retail/Commercial business (must be located within the region)<br>Recognized industrial boards or clinic boards (must be located within the region)         |
| <b>COLLATERAL</b>              | Loans are to be secured by lien positions on collateral at the highest level of priority which can accommodate the borrower's ability to raise debt and equity capital. Generally personal and corporate guarantees are required. |
| <b>ADDITIONAL REQUIREMENTS</b> | Financial statements<br>Sufficient cash flow to service the debt<br>A goal of \$15,000 per job created and/or retained  |

## Application Process

All applications must be legible (handwritten or typed) and complete upon submittal. Incomplete applications will not be presented to the loan review committee. Completed applications should be submitted to:

**Mailing Address**

NACOLG  
P. O. Box 2603  
Muscle Shoals, AL 35662

or

**Physical Address**

NACOLG  
103 Student Drive  
Muscle Shoals, AL 35661

Information substantiating total project cost must be included. This consists of, but is not limited to:

1. Itemized contractor's bid for construction or renovation
2. Quotes for equipment to be purchased
3. Sales agreements
4. Breakdown of working capital

**FEES:**

\$100.00 non-refundable application fee for EDA RLF

OR

A \$200.00 non-refundable application fee for the State RLF

**REVIEW PROCESS:**

Loan review meetings are scheduled on an as needed basis. After loan review committee approval and notification to applicant of approval the next requirement is as follows:

- (1) A local attorney is advised upon approval of the loan and instructed to prepare loan documents.
- (2) Upon completion of loan documents a loan closing meeting is scheduled.
- (3) Funds are disbursed at loan closing.

**LOAN CLOSING:**

All loan closings are held at the NACOLG office or within the county where the loan originates. Minimal loan closing costs may be included or added to the loan amount.

Loan documents are standard documents. Any modifications to these documents will result in additional legal fee charged to the borrower.

**ADDITIONAL:**

**The borrower agrees that any funds spent prior to approval by the Loan Review Committee will be at the borrower's risk. This includes, but is not limited to, expenses for appraisals, environmental reviews, loan closing costs and etc.**

**The Northwest Alabama Council of Local Governments will obtain a credit report on you and/or your company as well as the principal(s)/guarantor(s).**

**I have read and understand all of the above and agree to terms and conditions.**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

NORTHWEST ALABAMA COUNCIL OF LOCAL GOVERNMENTS  
103 STUDENT DRIVE P. O. BOX 2603  
MUSCLE SHOALS, AL 35661 MUSCLE SHOALS, AL 35662

TELEPHONE: 256-389-0555  
FAX: 256-389-0599

E-Mail: [kjones@nwsccl.edu](mailto:kjones@nwsccl.edu)

REVOLVING LOAN FUND APPLICATION

**SECTION 1 – APPLICANT INFORMATION:**

COMPANY NAME: \_\_\_\_\_ FEIN: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_ TITLE: \_\_\_\_\_

BUSINESS ADDRESS: \_\_\_\_\_

CITY \_\_\_\_\_ COUNTY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_ PHONE ( ) \_\_\_\_\_

HOME ADDRESS: \_\_\_\_\_ SS #: \_\_\_\_\_

CITY \_\_\_\_\_ COUNTY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_ PHONE ( ) \_\_\_\_\_

PRINCIPAL BUSINESS ACTIVITY \_\_\_\_\_

PRODUCT LINE(S) \_\_\_\_\_

DATE COMPANY INCORPORATED \_\_\_\_\_ NAICS (SIC) # \_\_\_\_\_

**TYPE OF BUSINESS:**

Corporation  Proprietorship  Partnership  Female Owned\*  LLC

Sub Chapter-S Corporation  Limited Partnership

**Owner's Race\***

Am. Indian/Alaskan Native  Asian  Black/African Am  Native Hawaiian/Pacific Islander

White  Other

**Owner's Ethnicity\***

Hispanic/Latino  Not Hispanic/Latino

**Other\***

Vietnam Vet

\*Required for statistical information only.

**EMPLOYMENT INFORMATION:**

Number of present employees: \_\_\_\_\_

Number of jobs to be created as result of this expansion within 12 months after loan closing: \_\_\_\_\_

**BRIEF HISTORY OF COMPANY:**

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**PRODUCT DESCRIPTION:**

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**OWNERSHIP: (List names and % of ownership)**

|       |       |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

**OFFICERS AND MANAGEMENT (attach resumes of each)**

President: \_\_\_\_\_

Vice-President: \_\_\_\_\_

Plant Manger: \_\_\_\_\_

Identify all parent, subsidiary and affiliated companies, including the location, number of employees and ownership breakdown (%). (Attach additional page if necessary.)

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**Section II. COMPANY PROFILE**

**Geographic Marketing Area:**

| <b>Major Customers (list at least three)</b> | <b>Location</b> | <b>% of Sales</b> |
|--|-----------------|-------------------|
| _____  | _____           | _____             |
| _____  | _____           | _____             |
| _____  | _____           | _____             |

| <b>Major Competitors (list at least three)</b> | <b>Location</b> |
|--|-----------------|
| _____  | _____           |
| _____  | _____           |
| _____  | _____           |

| <b>Major Suppliers (list at least three)</b> | <b>Location</b> |
|--|-----------------|
| _____  | _____           |
| _____  | _____           |
| _____  | _____           |

**Describe this project and explain how it will affect your current operation and productivity:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**III. PROJECT DESCRIPTION**

**Purchase of Land and Building (attach copies of bids/quotes to support costs)**

**Location** \_\_\_\_\_

**Purchase Price:** \$ \_\_\_\_\_ **Appraised Value** \$ \_\_\_\_\_

**Sq. Ft.** \_\_\_\_\_ **Site size (Acres)** \_\_\_\_\_

**Will any space be subleased:** \_\_\_\_\_ **Yes** \_\_\_\_\_ **No** \_\_\_\_\_  
(If yes: Amount of sq. ft. to be subleased \_\_\_\_\_/annual rate \$ \_\_\_\_\_)

\_\_\_\_\_ **Environmental Concerns (check if applicable and explain on separate sheet)**

**BUILDING CONSTRUCTION**

**Location** \_\_\_\_\_

**Construction Cost** \$ \_\_\_\_\_ **Sq. Ft.** \_\_\_\_\_ **Site size (Acres)** \_\_\_\_\_

**Contractor** \_\_\_\_\_ **Land Costs** \$ \_\_\_\_\_

**Will any space be subleased:** \_\_\_\_\_ **Yes** \_\_\_\_\_ **No** \_\_\_\_\_  
(If yes: Amount of sq. ft. to be subleased \_\_\_\_\_/annual rate \$ \_\_\_\_\_)



**MACHINERY & EQUIPMENT**

**(Attach copies of price quotations to support costs)**

**List the Machinery & Equipment to be financed, include make, model and cost:**

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**WORKING CAPITAL**

**(Attach copies of quotes as examples of expenditures)**

**Detail the Working Capital needs to be financed (BE SPECIFIC):**

**Sources and Uses**

| SOURCE OF FUNDS                      |        |      |        |                     | USE OF FUNDS   |       |              |        |
|--------------------------------------|--------|------|--------|---------------------|----------------|-------|--------------|--------|
| Name of Lender & Contact Information | Amount | Term | Rate % | Annual Debt Service | Land/ Building | M & E | Work Capital | Totals |
| 1.                                   |        |      |        |                     |                |       |              |        |
| 2.                                   |        |      |        |                     |                |       |              |        |
| 3.                                   |        |      |        |                     |                |       |              |        |
| NACOLG                               |        |      |        |                     |                |       |              |        |
| Other                                |        |      |        |                     |                |       |              |        |
| Equity*                              |        |      |        |                     |                |       |              |        |
| Totals                               |        |      |        |                     |                |       |              |        |

**\*Equity injection comes from cash flow, retained earnings, individual**

**ASSURANCES**

- A. Agreement of Non-employment of RLF personnel: I/We agree that if this RLF application is approved, I/We will not for at least one (1) year hire as an employee or consultant anyone that was employed by the Northwest Alabama Council of Local Governments (NACOLG) during the one year period prior to the disbursement of the loan.
- B. I/We certify that, upon disbursement of the RLF funds, new equity in an amount not to be less than 10% of the total project cost will be injected as a part of this project.
- C. I/We certify that all information in this application and the exhibits is true and complete to the best of my/our knowledge and is submitted to NACOLG so that NACOLG can decide whether to grant a loan or participate with a lending institution in a loan to me/us.
- D. I/We certify that, with respect to this project, commencement will not occur prior to the approval of the application by the Loan Administration Committee of the Northwest Alabama Council of Local Governments.
- E. I/We certify that no officers or principal shareholders have been convicted of any felony or any misdemeanor involving theft, dishonesty, deception, false swearing, or the filing or submission of any false or misleading information to any agency of government, nor are any charges of any such offenses pending.
- F. I/We give the assurance that this project is in compliance with all local, State and Federal environmental and zoning regulations. I/We further certify that the business is not currently under citation for pollution violations and that all applicable future anti-pollution standards shall be met.
- G. I/We comply with Federal, State and Local laws concerning facility access for the physically handicapped.
- H. I/We provide a drug free workplace as defined by the Controlled Substances Act (21 U.S.C. 812) and 21 CFR 1308.11.
- I. I/We authorize disclosure of all information submitted in connection with this application to the financial institution agreeing to participate in the loan.
- J. Loans will not be made to applicants for the sole purpose of relocating an enterprise from one area in the NACOLG region to another. Loans will be called if loan recipient relocates outside the five county NACOLG region.
- K. I/We give the assurance that I/We shall now and throughout the term of this loan provide any and all information requested by NACOLG personnel for the purposes of monitoring my/our loan and evaluating the RLF program and its impact.
- L. As consideration for any and technical assistance that may be provided, I/We waive all claims against NACOLG and its consultants.
- M. I/We agree to pay a non-refundable application fee of \$200 for the purpose of reviewing the application submitted to the RLF committee.
- N. Authority to Collect Personal Information: This information is provided pursuant to Public Law 93-570 (Privacy Act of 1974)
- O. Effects of Non-Disclosure: Omission of any item means your application may not receive full consideration.

**I/WE HAVE READ AND AGREE TO THE ABOVE ASSURANCES.**

**If applicant is a PROPRIETOR or GENERAL PARTNER, sign below:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**If applicant is a CORPORATION, sign below:**

\_\_\_\_\_  
Company Name

By: \_\_\_\_\_

President's Signature

Date: \_\_\_\_\_

**Attested by (Corporate Secretary's Signature):**

\_\_\_\_\_

**ADDITIONAL EXHIBITS\***

- A. **Business Plan which 1) Describes the background and history of the business, 2) Provides an analysis of what the new project will accomplish, 3) Explains how the market will support and sustain business operations, and 4) Breakdown of ownership. APPLIES TO START-UP COMPANIES.**
- B. **Sales Agreement for land and/or building to be purchased.**
- C. **Itemized contractor's bid/estimates for construction/renovation.**
- D. **Balance Sheet and Profit & Loss Statement for Company's three most recent fiscal years, with notes**
- E. **Balance Sheet and Profit & Loss Statements (within last 90 days)**
- F. **Projected three year Balance Sheet and Profit & Loss Statement, with notes. (Project the balance of this fiscal year and two additional fiscal years)**
- G. **Projected one year Cash Flow Statement (month-by-month), which includes new debt service. (Project Cash Flow for balance of this fiscal year as well as next fiscal year).**
- H. **Summary of outstanding loans including: Amount, remaining Balance, Interest Rate, Term, Monthly Payment and Security. Include all loans to date and pending.**
- I. **Resume for all persons listed as principals and management including education and experience.**
- J. **Personal Balance Sheet for all major stockholders (owning 20% or more of company's outstanding stock).**
- K. **Signed quotes or sales agreements on machinery/equipment purchases.**
- L. **Names of any affiliates or subsidiaries including relationship (include financial statements). A company is considered an affiliate if the principal has 51% or more ownership in another company.**
- M. **Details of any bankruptcy or insolvency proceedings against company or principals.**
- N. **Details of any pending lawsuits.**
- O. **Franchise agreements.**
- P. **Recent Appraisal of building to purchased (or offered as collateral). Loan may be contingent upon receiving appraisal at value. Do not request appraisal until approval of loan.**
- Q. **Current Environmental Assessment of Subject property. Loan may be contingent upon receipt of Phase I Environmental, if necessary.**

**\*If exhibit does not pertain to your business, place an N/A in front of the exhibit letter. Please place exhibits in order.**

**Other items that may be addressed - (Do not provide prior to loan approval):**

|                                |       |
|--------------------------------|-------|
| Articles of Incorporation      | _____ |
| Corporate Resolution to Borrow | _____ |
| Key-Person Life Insurance      | _____ |
| Flood Insurance                | _____ |
| Environmental Assessment       | _____ |
| Appraisal                      | _____ |
| Personal Financials            | _____ |