

Community Development Authority (CDA)

BUSINESS LOAN PROGRAM FACT SHEET

1. *Who is eligible?*

Any industrial, commercial, mixed use or housing development in Peabody is eligible.

2. *What kind of financing is available?*

The Business Loan Program will finance fixed assets that create job opportunities and add to the tax base.

3. *How much money is available?*

The Business Loan Program does not compete with private financing. The program was created to complement private financing and will fill the gap between what the financial institution will loan and what the project needs.

4. *What are the interest rates and terms?*

As of July 1, 2013 the interest rate will 3%. An interest rate of 2.75% will be offered to borrowers that pay electronically. It can be a fixed rate and be amortized over a twenty year period. The terms are somewhat flexible and can be tailored to make the project feasible.

5. *How are the loans secured?*

The Community Development Authority will take a subordinate position but will require personal and/or corporate guarantees.

6. *Are there any other costs associated with the loan?*

There is a \$250 non-refundable Application Fee and all legal and appraisal costs are the responsibility of the applicant. At the closing of the loan, a 1.5% Loan Origination Fee will also be due.

7. *What are the chances of getting a loan?*

Chances are good if you have...

- ◆ A project that creates jobs and increases City tax revenues
- ◆ Private funding for roughly 80% or more of the total project costs
- ◆ Firm, private financing commitment(s)
- ◆ Evidence the project needs the loan and
- ◆ A project that is ready to proceed.

For additional information, please contact Stacey Bernson, Assistant Community Development Director, City of Peabody, 24 Lowell Street, Peabody, Massachusetts 01960. Telephone: 978-538-5771. Email: stacey.bernson@peabody-ma.gov

Community Development Authority (CDA)

BUSINESS LOAN PROGRAM APPLICATION

| BORROWER/BUSINESS INFORMATION | | | | | |
|--|------------------------------|-----------------------------|---|-------------|-------------------|
| Borrower's Name: | | | Tax Identification #: | | |
| Name of Business: | | | Telephone #: | | |
| Principal Business Address: Street: | | Mailing Address: Street: | | | |
| City: | MA | Zip: | City: | MA | Zip: |
| Email Address: | | | | | |
| IF YOU INTEND TO APPLY FOR JOINT CREDIT, PLEASE INITIAL HERE: | | | | | |
| | | | Applicant | | Co-Applicant |
| Please check one: <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Individuals | | | | | |
| <input type="checkbox"/> Trust <input type="checkbox"/> LLC <input type="checkbox"/> LLP <input type="checkbox"/> Non-Profit | | | | | |
| Type of Business: <input type="checkbox"/> Manufacturer <input type="checkbox"/> Retailer <input type="checkbox"/> Service <input type="checkbox"/> Wholesaler/Distributor | | | | | |
| <input type="checkbox"/> Other (specify) | | | | | |
| Year Established: | Current Number of Employees: | | Do you anticipate hiring new employees? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, how many? | | |
| MANAGEMENT/GUARANTORS | | | | | |
| Name | | Title | | % Ownership | Social Security # |
| | | | | | |
| | | | | | |
| | | | | | |
| LOAN REQUEST | | | | | |
| Amount | Term (Years) | Purpose of Loan: | | | |
| Payment Method <input type="checkbox"/> Manual <input type="checkbox"/> Electronic | | | | | |
| Comments: | | | | | |
| IF YOU INTEND TO APPLY FOR JOINT CREDIT, PLEASE INITIAL HERE: | | | | | |
| | | | Applicant | | Co-Applicant |

BORROWER/BUSINESS FINANCING

| Primary Lender(s) | Amount | Term (Years) | Approval Received |
|-------------------|--------|--------------|--|
| | | | <input type="checkbox"/> No <input type="checkbox"/> Yes |
| | | | <input type="checkbox"/> No <input type="checkbox"/> Yes |

Comments:

COLLATERAL/BUSINESS ASSETS

If your collateral consists of real estate, accounts receivable and/or inventory, fill in appropriate spaces. If you are pledging machinery and equipment, furniture and fixtures and/or other, please provide an itemized list that contains all articles that had an original value greater than \$1,000. Include a copy of last year's property tax bill and legal description of any real estate offered as collateral.

| ASSET | DATE ACQUIRED | ORIGINAL VALUE | PRESENT VALUE | PRESENT LOAN BALANCE |
|------------------------|---------------|----------------|---------------|----------------------|
| COMMERCIAL REAL ESTATE | | | | |
| PERSONAL REAL ESTATE | | | | |
| MACHINERY & EQUIPMENT | | | | |
| FURNITURE & FIXTURES | | | | |
| ACCOUNTS RECEIVABLE | | | | |
| INVENTORY | | | | |
| OTHER | | | | |
| TOTAL | | | | |

NOTES PAYABLE

| BANK NAME | LOAN TYPE | MATURITY DATE | COLLATERAL | PRESENT BALANCE | MONTHLY PAYMENT |
|-----------|-----------|---------------|------------|-----------------|-----------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

BUSINESS FINANCIAL SUMMARY

| | |
|--|----------------------------|
| What is the name of your primary bank? | Deposit account number(s): |
|--|----------------------------|

Please indicate the number of years experience in the industry by the majority owner(s):

| |
|--|
| Have you or your business guaranteed any debts not listed on the financial statements? <input type="checkbox"/> No <input type="checkbox"/> Yes (If yes, what is the total liability? \$ |
| Is your business a party to any claim or lawsuit? <input type="checkbox"/> No <input type="checkbox"/> Yes |
| Have you ever owned or operated a business that declared bankruptcy? <input type="checkbox"/> No <input type="checkbox"/> Yes |
| Does your business owe any taxes for years prior to the current year? <input type="checkbox"/> No <input type="checkbox"/> Yes |
| Please state whether more than 20% of sales are to one customer. <input type="checkbox"/> No <input type="checkbox"/> Yes |
| <i>If you answered "yes" to any of the above questions, please provide the details as an addendum.</i> |

The applicant(s) hereby certify that the information contained in this application is provided to induce the Community Development Authority (CDA) to extend credit to the business. The applicant(s) acknowledge and understand that the CDA is relying on the information provided in this application in deciding whether to grant credit. Each of you represents, warrant, and certify that the information is true, correct, and complete. Each of you agrees to notify the CDA immediately of any materially adverse change in any of the information contained in this application, or your or any proposed guarantor's financial condition. The CDA is authorized to make all inquiries it deems necessary to verify the accuracy of the information contained in this application. You authorize any person or credit reporting agency to give the CDA any information it may have about you. Each of you authorizes the CDA to answer questions about the CDA credit experience with you. You understand that the CDA may request additional information to complete this application.

| | | |
|------------------------|-------|-------|
| _____ | _____ | _____ |
| Applicant Signature | Title | Date |
| _____ | _____ | _____ |
| Co-Applicant Signature | Title | Date |

Community Development Authority (CDA)

BUSINESS LOAN PROGRAM APPLICATION CHECKLIST

Please use the list below to insure that your application is complete:

- Create a cover letter introducing yourself and your business and/or project
- Complete the CDA Business Loan Program Application
- Complete the personal financial statement form
- Personal federal tax returns for the last 2 years (please include all schedules)
- Federal tax returns for the business for the last 2 years
- Please provide accountant prepared financial statements on the business for the same period. If not available, please indicate with "n/a."
- Submit the original, plus five, double sided copies of the completed loan application, supporting documentation, cover letter and non-refundable check in the amount of \$250 made payable to the *CITY OF PEABODY COMMUNITY DEVELOPMENT AUTHORITY*