



CITY OF POUGHKEEPSIE DEVELOPMENT DEPARTMENT

Office of Social Development

62 Civic Center Plaza | Poughkeepsie | New York | 12601

Office (845) 451-4046 Fax (845) 451-6152

phesse@cityofpoughkeepsie.com

Paul Hesse, Social Development Director

ECONOMIC DEVELOPMENT LOAN FUND

FORM & AMOUNT OF ASSISTANCE:

Loans will be offered up to a maximum of \$50,000. The EDLF is funded through the Community Development Block Grant (CDBG) and is subject to availability. The EDLF reserves the right to offer loans at less than the maximum.

PURPOSE:

The City of Poughkeepsie's Economic Development Loan Fund (EDLF) was developed to encourage economic revitalization and reinvestment, creating and/or retaining jobs for low and moderate income City residents and increasing opportunities for local entrepreneurs. The EDLF program serves businesses expanding in the City, newly locating in the City and start-up business. The program works in tandem with other New York State loan programs, the City's Empire Zone and private lenders.

ELIGIBLE APPLICANT:

Existing City Businesses – Businesses that have operated for three or more years and are able to provide tax returns and financial statements for three consecutive years.

Start-ups – Businesses that have been in existence for less than three years, which have been operating informally generating sales and/or income and businesses not yet in operation. Applicants able to provide tax returns and financial statements for years in operations will be at an advantage. Businesses not yet in operation will be eligible for loans, but **MUST** have a well-constructed business plan and the principals must have a good credit history.

Businesses must be permitted use as specified in Zoning Ordinances.

Not-for-profits are not eligible to apply for EDLF financing

ELIGIBLE PROJECTS:

- Located in the City
- Expansion or facility improvement to existing businesses
- Businesses creating and/or retaining jobs
- Demonstrates the ability for repayment of loan
- EDLF has not advanced any previous loans to applicant, unless said loan has been paid in full and on time.
- Project demonstrates it is economically viable and meets basic community development objectives including stabilizing and revitalizing.

The eligibility of a project does not imply that is fundable. Loan applications will be reviewed by the EDLF Committee and must be approved by a majority of the Committee. Failure to receive a majority of yes votes will be equivalent to a denial.

INELIGIBLE PROJECTS:

- Payment of taxes in arrearage
- Refinancing any portion of the total project costs
- Refinancing other existing loans or debts of applicant – except for the purpose of transferring ownership to the employees or to another local interested company to prevent the business from departing, ceasing or substantially reducing operations. A substantial reduction of operations is:
 - Loss of 25 or more permanent jobs
 - Loss of less than 25 permanent jobs where such loss would have a major adverse impact on the community
- Providing funding directly or indirectly for payment, distribution or as a loan to owners, partners or shareholders of an application and any finders fees.
- To the extent permitted by law, projects in which financial assistance would be received by:
 - A full time employee of a local government, department, agency, authority, public benefit corporation or political subdivision thereof,
 - OR
 - An eligible business of which any such employee controls a majority ownership interest
- Projects purely speculative in nature

USE OF FUNDS:

- Partial remodeling or fit-up costs
- Leasehold improvements
- Machinery and equipment
- Inventory for start-up businesses only

TERMS & RATES OF LOANS:

For existing City businesses expansion, job creation/retention, facility improvement:

- \$5,000 - \$7,500 terms up to 36 months at Prime Rate fixed for term of loan
- \$7,501 - \$50,000 terms up to 15 years fixed at Prime Rate for term of loan.

For new businesses creating new jobs:

- \$5,000-\$7,500 terms up to 36 months at 2% below Prime Rate fixed for term of loan.
- \$7,501- \$50,000 principal payments only for 5 years – principal & interest fixed at 2% below Prime Rate for 10 years.

Prime rate as published in the Wall Street Journal with rate set three days prior to loan closing.

COLLATERAL:

The EDLF may seek collateral as a requirement of the loan. Collateral may include fixed or non-fixed business assets, real and personal property and/or a letter of credit issued by a financial institution for the benefit of the lender. Second lien positions will be accepted when necessary.

Personal guarantees will be required of all principals.

Collateral waiver from Landlord will be required.

APPLICATION REQUIREMENTS:

The following materials **MUST** be provided with the application to the City of Poughkeepsie's Office of Social Development:

Existing business:

- Three years full Federal Tax returns on the business
- Three years full Federal Tax returns on the principals
- Personal financial statements on the principals
- Three to five year income/expense projections
- Employment Plan – number of jobs created/retained, recruitment plan
- Evidence of site control – deed or lease
- Proposed site plan – floor plan
- Total cost of project including estimates of equipment/machinery purchase/lease, remodeling or fit-up and leasehold improvement costs
- Applicable permits required/obtained for the project
- Proof of other lending sources including evidence of personal investment or evidence of inability to obtain funding

Start-up business:

- Well constructed Business Plan
- Full Federal Tax returns on the business, if applicable
- Three years full Federal Tax returns on the principals
- Personal financial statements on the principals
- Three to five year income/expense projections
- Employment Plan – number of jobs created, recruitment plan
- Evidence of site control – deed or lease
- Proposed site plan – floor plan
- Total cost of project including estimates of equipment/machinery purchase/lease, remodeling or fit up and leasehold improvements costs, inventory to be purchased
- Applicable permits required/obtained for the project
- Proof of other lending sources including evidence of personal investment or evidence of inability to obtain funding

OTHER CONDITIONS:

Businesses moving out of the City, closing or being sold will be considered in violation of the loan agreement resulting in loans being due in full with a 10% penalty of the total loan assessed for administrative costs.

Businesses not maintaining employment equaling one full time permanent job for a low/moderate income City residents will be in violation of this loan agreement as well.

Businesses MUST be current with all taxes, licenses and permits



CITY OF POUGHKEEPSIE DEVELOPMENT DEPARTMENT

Office of Social Development

62 Civic Center Plaza | Poughkeepsie | New York | 12601

Office (845) 451-4046 Fax (845) 451-6152

phesse@cityofpoughkeepsie.com

Paul Hesse, Social Development Director

ECONOMIC DEVELOPMENT LOAN FUND APPLICATION

Business Name _____

Business Address _____

Business Tax ID# _____

Principal _____ **Principal** _____

Address _____ **Address** _____

Social Sec. # _____ **Social Sec #** _____

Home # _____ **Home #** _____

Business # _____ **Business #** _____

Signature _____ **Signature** _____

Loan Amt. Requested _____ **Total Project Cost** _____

Brief Project Description _____

Checklist of items to accompany application:

- _____ Three years of full Federal tax returns on the business
- _____ Personal financial statement and 3 yrs personal Federal Tax returns (all principals)
- _____ Business Plan (for new businesses)
- _____ Three years of financial projections – income/expenses
- _____ Employment plan (proposed # jobs created/retained, job descriptions, recruitment)
- _____ Evidence of site control – deed or lease
- _____ Proof of all other financing – including personal investment
- _____ Credit Report Authorization form signed by all principals
- _____ Proposed site plan (floor plan)
- _____ Applicable permits required/obtained for project
- _____ Proof of taxes, water/sewer fees paid



CITY OF POUGHKEEPSIE DEVELOPMENT DEPARTMENT

Office of Social Development

62 Civic Center Plaza | Poughkeepsie | New York | 12601

Office (845) 451-4046 Fax (845) 451-4006

phesse@cityofpoughkeepsie.com

Paul Hesse, Social Development Director

Credit Report Authorization

The undersigned acknowledge and understand that the City of Poughkeepsie Economic Development Loan Fund is relying on, in part, credit reporting information to assist in their evaluation decision of an extension of credit to the following business, and/or corporation and of the acceptance of said guarantees.

I/We authorize the request of individual TRW reports by the City of Poughkeepsie. We understand that the City will incur any and all costs of each individual TRW report.

**Business
Name** _____

Name & Address	Social Security Number	Date
_____	_____	_____

Name & Address	Social Security Number	Date
_____	_____	_____

Name & Address	Social Security Number	Date
_____	_____	_____

PERSONAL FINANCIAL STATEMENT AS OF _____

Date

SUBMITTED TO: _____

PERSONAL INFORMATION					
APPLICANT (NAME)			CO-APPLICANT (NAME)		
US Citizen <input type="checkbox"/> Yes <input type="checkbox"/> NO If no, resident Alien No.			US Citizen <input type="checkbox"/> Yes <input type="checkbox"/> NO If no, resident Alien No.		
Employer			Employer		
Address of Employer			Address of Employer		
Business Phone No.	No. Of Years with Employer	Title/Position	Business Phone No.	No. Of Years with Employer	Title/Position
Name of previous employer & position (if with current employer less that 3 yrs.)		No. of Yrs.	Name of previous employer & position (if with current employer less that 3 yrs.)		No. of Yrs.
Home Address			Home Address		
Home Phone No.	Social Security No.	Date of Birth	Home Phone No.	Social Security No.	Date of Birth
Name, Phone No. of your Accountant			Name, Phone No. of your Accountant		
Name, Phone No. of your Attorney			Name, Phone No. of your Attorney		
Name, Phone No. of your Investment Advisor/Broker			Name, Phone No. of your Investment Advisor/Broker		
Name, Phone No. of your Insurance Advisor			Name, Phone No. of your Insurance Advisor		

Cash Income & Expenditures Statement For Year Ending _____ (Omit cents)

Salary (applicant)	\$
Salary (Co-applicant)	
Bonuses & Commission (applicant)	
Bonuses & Commission (co-applicant)	
Rental Income	
Interest Income	
Dividend Income	
Capital Gains	
Partnership Income	
Other Investment Income	
Other Income (List) **	
TOTAL INCOME	\$

Federal Income and Other Taxes	\$
State Income and Other Taxes	
Rental Payments, Co-op or Condo Maintenance	
Mortgage Payments	Residential
	Investment
Property Taxes	Residential
	Investment
Interest & Principal Payments on Loans	
Insurance	
Investments (including tax shelters)	
Alimony/Child Support	
Tuition	
Other Living Expenses	
Medical Expenses	
Other Expense (List)	
TOTAL EXPENSES	\$

Any significant changes in the next 12 months? Yes No (If yes, attach information)

**Income from alimony, child support, or separate maintenance income need not be revealed if the applicant or co-applicant does not wish to have it considered as a basis for repaying this obligation.

(These forms are intended for use in commercial lending transactions. Where any other use is contemplated, it is suggested that a careful review be made to ensure compliance with applicable laws and regulations).

Balance Sheet as of _____

ASSETS		AMOUNT(S)	LIABILITIES		AMOUNT(S)
Cash in this Bank (including money market accounts, CD's)			Notes Payable to this Bank		X X X
			Secured		\$
Cash in Other Financial Institutions (List) (including money market accounts, CD's)			Unsecured		
			Notes Payable to Others (Schedule E)		X X X
			Secured		
			Unsecured		
			Accounts Payable (including credit cards)		
			Margin Accounts		
Readily Marketable Securities (Schedule A)			Notes Due: Partnership (Schedule D)		
Non-Readily Marketable Securities (Schedule A)			Taxes Payable		
Accounts and Notes Receivable			Mortgage Debt (Schedule D)		
Net Cash Surrender Value of Life Insurance (Schedule B)			Life Insurance Loans (Schedule B)		
Residential Real Estate (Schedule C)			Other Liabilities (List):		
Real Estate Investments (Schedule C)					
Partnership / PC interests (Schedule D)					
IRA, Keogh, Profit-Sharing & Other Vested Retirement Accts.					
Deferred income (number of years deferred _____)					
Personal Property (including automobiles)					
Other Assets (List):					
			TOTAL LIABILITIES		
			NET WORTH		
		\$			\$

CONTINGENT LIABILITIES	YES	NO	
AMOUNT			
Are you a guarantor, co-marker, or endorser for any debt of an individual, corporation or partnership?	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Do you have any outstanding letters of credit or surety bonds?	<input type="checkbox"/>	<input type="checkbox"/>	_____
Are there any suits or legal actions pending against you?	<input type="checkbox"/>	<input type="checkbox"/>	_____
Are you contingently liable on any lease or contract?	<input type="checkbox"/>	<input type="checkbox"/>	_____
Are any of your tax obligations past due?	<input type="checkbox"/>	<input type="checkbox"/>	_____
What would be your total estimated tax liability if you were to sell your major assets?			_____
If yes for any of the above, give details:			

Schedule A – All Securities (Including non-money market mutual funds)							
No. of Shares (Stock or Face Value (Bonds))	DESCRIPTION	OWNER(S)	WHERE HELD	COST	CURRENT MARKET VALUE	PLEDGE	
						YES	NO
READILY MARKETABLE SECURITIES (Including U. S. Governments and Municipals)*							
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
NON-READILY MARKETABLE SECURITIES (closely held, traded, or restricted stock)							
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>

*If not enough space, attach a separate schedule or brokerage statement and enter totals only.

Schedule B – Insurance
Life Insurance (use additional sheets)

Insurance Company	Face Amount of Policy	Type of Policy	Beneficiary	Cash Surrender Value	Amount Borrowed	Ownership

Disability Insurance	Applicant	Co-Applicant
Monthly Distribution of Disabled		
Number of Years Covered		

Schedule C – Personal Residence & Real Estate Investments, Mortgage Debt (majority ownership only)

Personal Residence Property Address	Legal Owner	Purchase		Market Value	Present Loan Balance	Interest Rate	Loan Maturity Date	Monthly Payment	Lender
		Year	Price						
Investment Property Address	Legal Owner	Purchase		Market Value	Present Loan Balance	Interest Rate	Loan Maturity Date	Monthly Payment	Lender
		Year	Price						

Schedule D – Partnerships (less than majority ownership for real partnerships)*

Type of Investment	Date of Initial Investment	Cost	Percent Owned	Current Market Value	Balance Due on Partnership: Holds, Cash, Call	Final Contribution Date
Business/Professional (indicate name):						
Investments (including Tax Shelters):						

***Note:** For investments which represent a material portion of your total assets, please include the relevant financial statements or tax returns, or in the case of partnership investments of S-corporations, schedule K-1s.

Schedule E – Notes Payable

Due to	Type of Facility	Amount of Line	Secured		Collateral	Interest Rate	Maturity	Unpaid Balance
			Yes	No				
			<input type="checkbox"/>	<input type="checkbox"/>				
			<input type="checkbox"/>	<input type="checkbox"/>				
			<input type="checkbox"/>	<input type="checkbox"/>				
			<input type="checkbox"/>	<input type="checkbox"/>				

Please Answer the Following Questions:

1. Income tax returns filed through (date): _____ Are any returns currently being audited or contested? Yes No
If yes, what years (s) _____
2. Have (either of) you or any firm in which you were a major owner ever declared bankruptcy? Yes No
If yes, please provide details: _____
3. Have you drawn a will? Yes No
If yes, please furnish the name of the executor(s) and year will was drawn: _____
4. Number of dependents (excluding self) and relationship to applicant: _____
5. Have you ever had a financial plan prepared for you? Yes No
6. Did you include two years federal and state tax returns? Yes No
7. Do (either of) you have a line of credit or unused credit facility at any other institution(s)? Yes No
If so, please indicate where, how much, and name of banker: _____

8. Do you anticipate any substantial inheritances? Yes No
If yes, please explain: _____

Representations and Warranties

The information contained in this statement is provided to induce Commerce Bank to extend or to continue the extension of credit to the undersigned or to others upon the guarantee of the undersigned. The undersigned acknowledge and understand that Commerce Bank is relying on the information provided herein in deciding to grant or continue credit or to accept a guarantee thereof. Each of the undersigned represents, warrants and certifies that the information provided herein is true, correct and complete. Each of the undersigned agrees to notify Commerce Bank immediately and in writing of any change in name, address, or employment of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligations to Commerce Bank. In the absence of such notice or a new and full written statement, this should be considered as a continuing statement and substantially correct. If the undersigned fail to notify you as required above, or if any of the information herein should prove to be inaccurate or incomplete in any material respect, you may declare the indebtedness of the undersigned or the indebtedness guaranteed by the undersigned, as the case may be, immediately due and payable. Commerce Bank is authorized to make all inquiries Commerce Bank deems necessary to verify the accuracy of the information contained herein and to determine the credit-worthiness of the undersigned. The undersigned authorize any person or consumer reporting agency to give Commerce Bank a copy of the undersigned's credit report and any other financial information it may have on the undersigned. Each of the undersigned authorizes Commerce Bank to answer questions about Commerce Bank's credit experience with the undersigned. Each of the undersigned authorizes Commerce Bank to answer questions about Commerce Bank's credit experience with the undersigned. As long as any obligation or guarantee of the undersigned to Commerce Bank is outstanding, the undersigned shall supply annually an updated financial statement. This personal financial statement and any other financial or other information that the undersigned gives Commerce Bank shall be your property.

The undersigned authorize any person or consumer reporting agency to give Commerce Bank a copy of the undersigned's credit report, any other financial information it may have on the undersigned, and to prepare at Commerce Bank's request, a consumer investigative report.

Signature: _____ Date: _____ Social Security Number: _____

Signature: _____ Date: _____ Social Security Number: _____

Date

Your Signature

Date

Co-Applicant's Signature (If you are requesting
The financial accommodation jointly)