

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

**STATE REVOLVING LOAN FUND
EMERGENCY RECOVERY LOAN FUND
APPLICATION**

CONTACT:
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**NORTHWEST ALABAMA COUNCIL OF LOCAL GOVERNMENTS
REVOLVING LOAN FUNDS – STATE
EMERGENCY RECOVERY LOAN FUND**

PURPOSE	Retain jobs in the region by private, for-profit firms.
LOAN LIMITS	Minimum amount: \$10,000 Maximum - \$25,000
TERMS	<ul style="list-style-type: none"> • Up to five years. • Loan amortization schedule will be deferred for four months after loan closing.
RATES	2%
FEES:	N/A
AVAILABILITY:	\$250,000 for the counties within the NACOLG region, provided on a first come, first served basis until funds are depleted.
ELIGIBLE APPLICANT	Small businesses, with less than 150 employees, located within the NACOLG region of Lauderdale, Colbert, Franklin, Marion and Winston Counties, who have been affected by a natural disaster or emergency (tornadoes, flooding, fire, wind damage, etc.
ELIGIBLE USES	<p>Damage repairs by natural disaster (tornadoes, ice storms, fire, and flooding)</p> <p>Working Capital for rent, mortgage, and real estate.</p> <p>Raw material purchase or necessary equipment purchases</p> <p>Payroll</p>
ADDITIONAL REQUIREMENTS	<ul style="list-style-type: none"> • Financial statements • Personal guarantees may be required from all individuals with 20% or more ownership in the business. • Sufficient cash flow to service the debt

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

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 requirements are as follows:

- A local attorney is advised upon acceptance of the loan terms and instructed to prepare loan documents.
- Upon completion of loan documents, a loan closing meeting is scheduled, and usually held at attorney's office.
- Funds are disbursed at loan closing.

LOAN CLOSING:

Minimal loan closing costs may be included or added to the loan amount. The borrower will be responsible for all loan closing costs.

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

ADDITIONAL:

The borrower agrees any funds spent prior to approval by the Loan Administration Committee will be at the borrower's risk. This includes, but is not limited to, expenses for appraisals, environmental reviews, loan closing costs, 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
MUSCLE SHOALS, AL 35661

P. O. BOX 2603
MUSCLE SHOALS, AL 35662

TELEPHONE: 256-389-0518
FAX: 256-389-0599

E-Mail: mtittle@nacolg.org

EMERGENCY RECOVERY REVOLVING LOAN FUND APPLICATION

SECTION 1 – APPLICANT INFORMATION:

COMPANY NAME: _____ FEIN: _____

CONTACT PERSON: _____ TITLE: _____

BUSINESS ADDRESS: _____ CITY _____

COUNTY _____ STATE _____ ZIP CODE _____ PHONE _____

HOME ADDRESS: _____ CITY _____

COUNTY _____ STATE _____ ZIP CODE _____ PHONE _____

SS# _____ BIRTHDATE _____ E-MAIL ADDRESS _____

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: _____

BRIEF HISTORY OF COMPANY:

PRODUCT DESCRIPTION:

OWNERSHIP: (List names and % of ownership)

_____	_____
_____	_____
_____	_____

OFFICERS AND MANAGEMENT (attach resumes of each)

President: _____
Vice-President: _____
Plant Manager: _____

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

SECTION 2 – COMPANY PROFILE

GEOGRAPHIC MARKETING AREA:

Major Customers (list at least three)

Location

% of Sales

Major Competitors (list at least three)

Location

Major Suppliers (list at least three)

Location

SECTION 3 –PROJECT DESCRIPTION

Include a brief description of the type of emergency, and how has it affected business operations and/or staffing:

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

ANTICIPATED USES AND SOURCES OF PROJECT FUND

Attach copies of quotes as examples of expenditures

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

Amount of Funding Requested: \$_____

Describe anticipated funding use, detailed working capital needs, etc.

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

ASSETS TO BE USED FOR COLLATERAL:

_____ Equipment

_____ A/R Inventory

_____ Other Description: _____

_____ Real Estate Address/Description: _____

ASSURANCES

- A. **Agreement of Non-employment of RLF personnel:** I/We agree if this RLF application is approved, I/We will not for at least one (1) year hire as an employee or consultant anyone 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 all information in this application and the exhibits are true and complete to the best of my/our knowledge and is submitted so NACOLG's Loan Administration Committee so that NACOLG can decide whether to grant a loan or participate with a lending institution in a loan to me/us.
- C. I/We certify 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.
- D. I/We certify 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.
- E. I/We give the assurance this project complies with all local, State and Federal environmental and zoning regulations. I/We further certify the business is not currently under citation for pollution violations and all applicable future anti-pollution standards shall be met.
- F. I/We comply with Federal, State and Local laws concerning facility access for the physically handicapped.
- G. I/We provide a drug free workplace as defined by the Controlled Substances Act (21 U.S.C. 812) and 21 CFR 1308.11.
- H. 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.
- 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.
- J. As consideration for any and technical assistance that may be provided, I/We waive all claims against NACOLG and its consultants.
- K. **Authority to Collect Personal Information:** This information is provided pursuant to Public Law 93-570 (Privacy Act of 1974)
- L. **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 If Applicable

***These items may be required or waived at the discretion of the RLF Loan Administration Committee**

- 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. Personal Balance Sheet for all major stockholders (owning 20% or more of company's outstanding stock).**
- I. Signed quotes or sales agreements on machinery/equipment purchases.**
- J. 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.**
- K. Details of any bankruptcy or insolvency proceedings against company or principals.**
- L. Details of any pending lawsuits.**
- M. Franchise agreements.**
- N. 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.**

****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** _____

**Northwest Alabama Council of Local Governments
Emergency Recovery Revolving Loan Fund
Policies and Procedures**

I. Program Summary

A. Description

The Emergency Recovery Revolving Loan Fund (RLF) will address natural disaster and emergency recovery needs of the NACOLG region by providing capital for small businesses within the counties of Lauderdale, Colbert, Franklin, Marion and Winston, Alabama. Applications received will be funded on a case-by-case basis as determined by the Revolving Loan Fund Committee.

B. Purpose

To assist small businesses affected by natural disasters affecting regular business operations in one of the five NACOLG counties.

C. Funding Amounts

- \$250,000 provided for the five counties in the NACOLG region.
- \$10,000 minimum loan amount
- \$25,000 maximum loan amount
- Funds provided on first come, first served basis until funding is depleted.

D. Fees

The Borrower will be responsible for all closing costs.

E. Terms

- 2% interest
- Five-year term
- Loan amortization schedule will be deferred for four months after loan closing.
- 20% forgiveness each year at anniversary of loan closing if number of jobs at time of application are retained.

F. Eligible Applicants

- Business located within the NACOLG region of Lauderdale, Colbert, Franklin, Marion and Winston Counties, Alabama.
- Small businesses with less than 150 employees.

G. Eligible Uses

- **Repair of damages caused by natural disaster (tornadoes, ice storms, fire, and flooding)**
- **Working Capital for rent, mortgage, and real estate.**
- **Raw material purchase or necessary equipment purchases**

H. Ineligible Uses

- **Refinancing**
- **Salaries to business owner only without equal payment to employees**
- **Loans to businesses outside of the five-county NACOLG Region**

I. Conditions

- **Must retain, at a minimum, the number of jobs at time of application**
- **Measurable collateral**
- **Owner insures property throughout term of loan**
- **Credit reports will be required of the applicant**
- **Payroll**