



## CITY OF ELMWOOD

201 West Main Street  
Elmwood, IL 61529

Tel: (309) 742-2351  
Fax: (309) 742-8224

### **REVOLVING LOAN PROGRAM**

#### **CITY OF ELMWOOD**

##### **Description of Program**

###### **INTRODUCTION**

The City of Elmwood strongly supports the goal of Growing the Economy. The Elmwood City Council's policies are structured to achieve more, higher paying jobs; development of a quality workforce; new business growth; retention and expansion of our existing businesses; and increases in tax base and population. As someone looking to start a business or a current business owner looking to expand, these objectives mean the City Council supports programs that create quality jobs for our youth and college graduates; allow the workforce to support their families; access to programs to start and grow business; the convenience to live, shop, work and recreate in the City of Elmwood; and reduced burden on all taxpayers.

One such program is the City of Elmwood's Revolving Loan Fund. RLF is a revolving loan fund to help fill-the-GAP between traditional private financing and your project's cost by offering low interest loans to start-ups and existing businesses ready for expansion. Elmwood's RLF started as a United States Department of Agriculture Rural Development Division Revolving Loan Grant.

###### **ELIGIBILITY**

Any start-up or existing industrial, commercial, or service-oriented business located in Elmwood which will create and/or retain jobs is eligible for GAP financing. The City of Elmwood places a preference on those businesses in the manufacturing, service and distribution sectors that attract revenue from customers outside the City of Elmwood. You must also show that your project would not occur were it not for the gap financing. Finally, the City of Elmwood will fund projects that attract sizable private investment to the City; have solid commitment to create or retain permanent jobs; and demonstrate financial feasibility and benefit to person of low or

moderate income. GAP financing may be used for land or building acquisition; construction, renovation, or leasehold improvements; purchase of machinery or equipment; or inventory and working capital.

## **PROCESS**

Pre-Application Meeting- This meeting, with the City of Elmwood, City Administrator, is to provide assistance prior to application filing.

Application Filing- Your application is filed with the City of Elmwood Revolving Loan Committee (ERLC).

Project Evaluation- ERLC members review your application and request any necessary or revised information.

Approval- Approval by the Elmwood City Council involves two meetings. The first is with the ERLC to review your application and ask question about its details. The ERLC makes a recommendation on the application to the City Council. The second and final meeting is with the City Council at which the Council will consider and/or take action on your request.

## **DETAILS**

Activities & Uses- GAP financing shall be used for any of the following purposes:

Land and/or Building Acquisition  
Construction, Renovation, or Leasehold Improvements  
Machinery and/or Equipment Purchase, or  
Inventory and Working Capital

Debt restructuring and refinancing is not eligible for funding.

Collateral- All loan recipients shall pledge collateral, which may be in the form of assets (1<sup>st</sup> or 2<sup>nd</sup> mortgages), inventory, receivables, equipment, business insurance assignments and/or personal guarantees.

Interest Rate- The minimum interest rate is 2% per annum. The actual rate is established by the Elmwood City Council

Job Creation and Retention- One (1) full time or full time equivalent part time jobs must be created and/or retained for every \$10,000 loaned. The full time job or the full time equivalent part time jobs shall total 2,080 hours annually.

Late Payment Fees- A late fee of 1.5% of the monthly payment shall be charged if the monthly payment is 31 or more days late.

Loan Amount- The City of Elmwood may make loans up to \$25,000.00 or more depending on the project and availability of funds.

Loan Term- The loan shall be amortized for up to ten years with a term not less than five years.

Resource Leveraging- gap financing is limited to 50% of the project. The 50% must be able to leverage the remaining 50% of the project from other lending sources and owner equity injection.

## PROJECT EVALUATION

- A. A proposed project is presented to the City of Elmwood's Revolving Loan Committee. The ERLC shall determine eligibility and recommend to the City Council approval or denial of the loan application. The recommendation shall be based on the above stated standards and financial risk factors.
- B. The City Council, upon approval, shall direct the Mayor to execute the appropriate agreements and documents. The City Administrator shall also begin to monitor loan repayments per the agreement.

## PRE-APPLICATION MEETING

The City of Elmwood can provide you with some assistance before you submit your GAP Loan application. Please contact:



**Amy Davis**  
*Economic Development Director*  
CITY OF ELMWOOD

e: [adavis.elmwoodil@gmail.com](mailto:adavis.elmwoodil@gmail.com)  
p: 309.742.8000

201 W Main St | PO Box 439  
Elmwood, IL 61529  
[www.elmwoodil.com](http://www.elmwoodil.com)

**City of Elmwood**  
**Revolving Loan Application**

**Checklist:**

Please be sure all applicable items are attached to your application. Failure to provide requested information will delay review/decision process.

- **A. Company History:** Submit a brief history of the business and past employment growth.
- **B. Market Information:** Submit information on your company's products or services and identify existing and potential major customers and competitors.
- **C. Financial Statements:** Submit historical financial statements for the past three years and interim statements dated no more than ninety days prior to application including:
  1. Profit and loss statement
  2. Balance Sheets
  3. Disclosure of Contingent Liabilities
  4. Full and complete personal and business tax returns for the past three(3) years, if no primary lender is required
- **D. Three Year Projections:** Submit three year projections of the Profit and Loss (or income) Statement. Also for the first year include a Monthly Cash Flow Projection of your project.
- **E. Land and Building Information (if applicable):** For land and /or building acquisition, attach an appraisal and a copy of the purchase option or sale agreement. For building construction or renovation, provide contractor or architect's cost estimates.
- **F. Machinery & Equipment Description (if applicable):** Identify major equipment or classes of equipment to be acquired with the department's program funds. For acquisition of new machinery and equipment, attach reliable vendor cost estimates. For moving and installation costs, attach written estimates. For used machinery and equipment acquisition, provide an appraisal demonstrating that the fair market value is in line with the purchase price.
- **G. Working Capital Description (if applicable):** Provide a detailed explanation of the need for and use of the funds for working capital.
- **H. Company Management:** List those people who are responsible for the management of the company and indicate their position and percentages of ownership.
- **I. Personal Resume(s):** Submit a resume for each management staff as identified in Exhibit H.
- **J. Personal Financial Statements:** Submit a personal financial statement(s) for each principal owning more than 20 percent of the company. ( Assets, Liabilities, Net Worth)
- **K. Letters of Commitment:** Document all sources of leveraging in commitment letters. Loans from financial institutions must have a language indicating the loan amount, the specified term and interest, collateral, conditions attendant to the loan, and the fact the loan is approved.

- **L. Private Lender's Analysis:** Submit a copy of the loan analysis package prepared by the private lender, if a private lender is required.
- **M. Business Plan:** Submit all relevant information included in your current business plan.
- **N. Lease:** Submit a copy of your current or proposed lease signed by lessor

**TERMS AND CONDITIONS**

- The business must be within the City of Elmwood.
- The Applicant must verify all 'other sources' of funding and income.
- Applicant must provide a minimum of 10% equity in the project.
- Requires a personal guarantee of all principals of the business for 100% of the loan amount.
- All fees and direct costs shall be paid by the borrower.
- Collateral is required of each borrower.
- Project must create and/or retain one full time or 2 part-time jobs for each \$10,000.00 loaned. The full time job or the two part-time jobs shall total 2,080 hours annually.
- Applicant upon approval must adhere to EEO requirements.
- Maximum loan amount: \$25,000.00.
- Financing is limited to 50% of the project.

## City of Elmwood Revolving Loan Assistance Program Application

### Company Information:

Company Name:
Chief Executive Officer:
Company Mailing Address:
City, State Zip Code:
County:
Telephone:
Facsimile:
Company Website:
Primary Contact Person:
E-Mail:

### Financing Information:

Total Project Cost: (USD)
Total Jobs Created and/or Retained:

### Amount of Financing Requested:

Total Amount Requested (USD)	TBD Months:
Term of Loan:	

### Important Notice:

The City of Elmwood is requesting disclosure of information that is necessary to accomplish the statutory purpose as outlined under 20 ILCS 605/605-1 et. seq. Disclosure of this information is required. Failure to provide any information will result in this from not being processed.

## City of Elmwood Revolving Loan Assistance Program Application

### Project Information:

Please Specify – Construction/Renovation/Etc:	
Beginning Date:	Proposed End Date:
Duration of Loan – Starting Date:	End Date:

### Participating Bank or Other Investor:

Institution/Investor:
Loan Officer:
Address:
City, State, Zip:
Telephone:
Facsimile:
Email:
More Information Attached – <input type="checkbox"/>

### Source and Use of Funds:

	USD	Owner Equity+	Bank+	Other+	Gap Funds	=Total
Rate						
Term						
Land						
Building						
Machinery						
Equipment						
Inventory						
Other: Capital						
<b>Total</b>						

**City of Elmwood Loan Assistance Program Application**

**Project Description:**



**City of Elmwood Revolving Loan Assistance Program Application**

**Current and Projected Employment:**

Job Description/ Position	Number of Employees Created/ Retained (specify)	Full Time	Part Time	Hourly Wage/Monthly Salary	Hiring Schedule/ Month and Year

**Description of Collateral:**

Item:	Value (USD):

**Project Implantation Schedule:**

Project Activity	Starting Date: Month/Year	Ending Date: Month/Year
Construction/Renovation		
Purchase/Installation of M&E		



# PROFIT AND LOSS- PAST 3 YEARS

Account	Description	Year 1	Year 2	Year 3
<b>SALES</b>				
	TOTAL SALES REVENUE			
<b>COST OF GOODS SOLD</b>				
	TOTAL COST OF GOODS SOLD	( )	( )	( )
<b>GROSS PROFIT</b>				
	GROSS PROFIT			
<b>EXPENSES</b>				
	Sales tax			
	Gross Wages			
	Payroll expenses			
	Accounting/Legal			
	Advertising			
	Supplies			
	Telephone			
	Insurance			
	Utilities			
	Maintenance			
	Mortgage/Rent			
	Taxes- Real Estate, etc			
	Other			
	TOTAL EXPENSES	( )	( )	( )
<b>PROFIT BEFORE DEP AND INCOME TAXES</b>				
<b>BUSINESS NAME:</b>				
<b>SIGNED:</b>				
<b>DATE:</b>				

## Personal Financial Statement

**Check the applicable box**

If you are applying for individual credit in your own name and are relying on your own income or assets and not the income or assets of another person as the basis for the repayment of the credit requested. Complete only Section 1 and 3.

If you are applying for joint credit with another person, complete all Sections about the joint applicant.

If you are applying for individual credit, but are relying on income from alimony, child support, or separated maintenance or on the income or assets of another person as a basis for repayment of the credit requested. Complete all sections providing information in Section 2 about the person whose alimony, support, or maintenance payments or income or assets you are relying.

If this statement relates to your guaranty of the indebtedness of other person (s), firm (s), or corporation(s), complete section 1 & 3.

To: **City of Elmwood**

SECTION 1: INDIVIDUAL INFORMATION	SECTION 2: OTHER PARTY INFORMATION
Name: 0	Name: 0
Home Address: 0	Home Address: 0
City, State, Zip: 0	City, State, Zip: 0
Home Phone #: 0	Home Phone #: 0
Position or Occupation: 0	Position or Occupation: 0
Business Name: 0	Business Name: 0
Business Address: 0	Business Address: 0
City, State, Zip: 0	City, State, Zip: 0
Business Phone #: 0	Business Phone #: 0

Section 3: STATEMENT OF FINANCIAL CONDITION AS OF (date)			
ASSETS (Do not include Assets of Doubtful Value)	In Dollars (Omit cents)	LIABILITIES	In Dollars (Omit Cents)
Cash on Hand in Banks (Sch A)	\$ -	Notes Payable - secured (Sch F)	\$ -
U.S. Gov't. & Marketable Securities (Sch B)	\$ -	Notes payable - unsecured (Sch F)	\$ -
Non-Marketable Securities (Sch C)	\$ -	Due to Brokers	\$ -
Securities held by broker in margin accts	\$ -	Amounts payable to others (secured)	\$ -
Restricted or Control Stocks	\$ -	Amounts payable to others (unsecured)	\$ -
Partial Interest in Real Estate (Sch D)	\$ -	Accounts and Bills due	\$ -
Real Estate Owned (Sch E)	\$ -	Unpaid Income Tax	\$ -
Loans Receivable	\$ -	Other unpaid Taxes and Interest	\$ -
Automobile	\$ -	Real Estate Mtgs. Payable - Part. Int. (Sch D)	\$ -
Automobile	\$ -	Real Estate Mortgages Payable (Sch E)	\$ -
Automobile	\$ -	Loans Against Cash Value Life Ins. (Sch F)	\$ -
Cash Value of Life Insurance (Sch F)	\$ -	Other Debts (Itemize)	\$ -
Other Assets (Itemize)	\$ -	Other Debts (Itemize)	\$ -
	\$ -	Other Debts (Itemize)	\$ -
Other Assets (Itemize)	\$ -	Other Debts (Itemize)	\$ -
	\$ -	Other Debts (Itemize)	\$ -
Other Assets (Itemize)	\$ -	Other Debts (Itemize)	\$ -
	\$ -		\$ -
Other Assets (Itemize)	\$ -	<b>TOTAL LIABILITIES</b>	\$ -
	\$ -	<b>NET WORTH</b>	\$ -
<b>TOTAL ASSETS</b>	\$ -	<b>TOTAL LIABILITIES AND NET WORTH</b>	\$ -

1) Personal Bank Accounts are carried at which Institution (Checking/Savings/Money Markets)?

Schedule A - Financial Institution DDA, Savings, Money Market Accounts					
Institution	Type of Account	In Name of	Pledged?		Balance
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
Totals					\$ -

2) What Investments do you have (U.S. Government and Marketable Securities)?

Schedule B - US Government and Marketable Securities					
# of Shares	Description	In Name of	Pledged?	Source of Value	Market Value
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
Totals					\$ -

3) Do you have any Non-Marketable Securities (Stock in privately held companies or IRA/401k/Pension funds)?

Schedule C - Non-Marketable Securities					
# of Shares	Description	In Name of	Pledged?	Source of Value	Value
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
Totals					\$ -

4) Do you have any Partial Interests in Real Estate Equities (properties you own with someone else)?

Schedule D - Partial Interest in Real Estate Equities						
Address of Property	Title in Name of	% Ownership	Date Acquired	Cost	Market Value	Mortgage Amount
				\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -
Totals				\$ -	\$ -	\$ -

5) Do you own any Real Estate (100%)?

Schedule E - Real Estate Owned						
Address of Property	Title in Name of	% Ownership	Date Acquired	Cost	Market Value	Mortgage Amount
		100%		\$ -	\$ -	\$ -
		100%		\$ -	\$ -	\$ -
		100%		\$ -	\$ -	\$ -
		100%		\$ -	\$ -	\$ -
		100%		\$ -	\$ -	\$ -
		100%		\$ -	\$ -	\$ -
		100%		\$ -	\$ -	\$ -
Totals				\$ -	\$ -	\$ -

6) Do you own any Life Insurance, including whole life or term insurance and group insurance?

Schedule F - Life Insurance					
Name of Insurance Company	Owner of Policy	Beneficiary	Face Amount	Policy Loans	Cash Value
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
Totals			\$ -	\$ -	\$ -

7) Do you have any debts or loans outstanding right now?

Schedule G - Banks or Finance Companies Where Credit has been obtained					
Name of Lender	Credit in Name of	Secured or Unsecured	Original Date	Balance Owed	Monthly Payment
		Secured		\$ -	\$ -
		Secured		\$ -	\$ -
		Secured		\$ -	\$ -
		Secured		\$ -	\$ -
		Secured		\$ -	\$ -
Sub Totals		Sub Total		\$ -	\$ -
		Unsecured		\$ -	\$ -
		Unsecured		\$ -	\$ -
		Unsecured		\$ -	\$ -
Sub Totals		Sub Total		\$ -	\$ -

8) Now proceed to the Actual Balance Sheet below to fill in the highlighted areas.

SOURCES OF INCOME FOR YEAR ENDED _____		PERSONAL INFORMATION	
Salary	\$ -	Do you have a will? _____ Your Executor? _____	
Bonus/Dividends	\$ -	Are you a partner or officer in any other venture? If so describe _____	
Real Estate Income	\$ -		
Other Income (Alimony, child support, or separate maintenance income need not be recaptured if you do not wish to have it considered as a basis for repaying this obligation)		Are you obligated to pay alimony, child support, or separate maintenance payments? If so describe _____	
Other	\$ -		
Other	\$ -	Are any assets pledged other than described on schedules? _____	
TOTAL	\$ _____		
<b>CONTINGENT LIABILITIES</b> Do you have any contingent liabilities? If so, describe _____		Income Tax settled through (date) _____	
		Are you a defendant in any suits or legal actions? _____	
As indorser, co-maker or guarantor	\$ -	Have you ever been declared bankrupt? If so, describe _____	
On leases or contracts?	\$ -		
Legal claims?	\$ -		
Other special debt?	\$ -		
Amount of Contested Income Tax Liens:	\$ -		

The information contained in this statement is provided for the purpose of obtaining, or maintaining credit with you on behalf of the undersigned, or persons, firms or corporations in whose behalf the undersigned may either severally or jointly with others, execute a guaranty in your favor. Each undersigned understands that you are relying on the information provided herein (including the designation made as to ownership of property) in deciding to grant or continue credit. Each undersigned represents and warrants that the information provided is true and complete and that you may consider this statement as continuing to be true and correct until a written notice of a change is given to you by the undersigned. You are authorized to make all inquiries you deem necessary to verify the accuracy of the statements made herein, and to determine my/our creditworthiness. You are authorized to answer questions about your credit experience with me/us.

Signature (Individual): \_\_\_\_\_

S.S. Number: \_\_\_\_\_ Birth Date: \_\_\_\_\_

Signature (Other Party) \_\_\_\_\_

S.S. Number \_\_\_\_\_ Birth Date: \_\_\_\_\_

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

**Permission to Request Financial Information**

By signing below I acknowledge and give permission to the Elmwood Revolving Loan Fund Administrator and Review Board to directly request business or personal financial information from my bank, accountant or tax preparer for use I loan review for my business or on my behalf.

The Elmwood Revolving Loan Fund Administrator, Amy Davis, on behalf of the Elmwood Revolving Loan Fund Review Board, may contact \_\_\_\_\_ and are authorized to send my financial statements directly to the Elmwood Revolving Loan Fund Administrator and Review Board.

Signed: \_\_\_\_\_

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



**Attachments:**

Business Plan \_\_\_\_\_

Financial Information \_\_\_\_\_

Other: \_\_\_\_\_

**City of Elmwood Revolving Loan Assistance Program Application**

**Application Certifications:**

The applicant certifies that the project is a new plant start-up or expansion. The applicant certifies that project will comply with all applicable laws and regulations prohibiting discrimination on the basis of race, sex, religion, national origin, age or handicap. The applicant certifies that all information contained in this application, including the documentation, is true to the best of his/her knowledge and belief.

\_\_\_\_\_  
Signature of Chief Executive Officer

\_\_\_\_\_  
Date