

Lender: Midwest Minnesota Community Development Corporation  
119 Graystone Plaza  
P.O. Box 623  
Detroit Lakes, MN 56502-0623  
(218) 847-3191 • Fax: (218) 844-6345



Applicant: \_\_\_\_\_ and \_\_\_\_\_  
(Please Print) (First, MI, Last) (First, MI, Last)

\_\_\_\_\_  
(Address, City, State, Zip)

## Credit & Information Disclosure Authorization

To Whom It May Concern:

I/We hereby authorize you to release Midwest Minnesota Community Development Corporation, for verification purposes, information concerning:

- ✓ Credit Bureau check and information.
- ✓ Employment history, dates, title, income, hours worked, etc.
- ✓ Bank and savings account of record.
- ✓ Mortgage loan rating (opening date, high credit, payment amount, loan balance and payment record).
- ✓ Any information deemed necessary in connection with a consumer or commercial credit report for a commercial transaction.
- ✓ Child support payment history received or paid, daycare expense amounts and history.

The information is for the confidential use of the lender in determining my/our creditworthiness for a commercial loan.

A PHOTOGRAPHIC COPY of undersigns' authorization MAY BE DEEMED TO BE THE EQUIVALENT OF THE ORIGINAL and MAY BE USED AS A DUPLICATE ORIGINAL. The original signed form is maintained in the MMCDC offices at: **Midwest Minnesota Community Development Corporation, P.O. Box 623, Detroit Lakes, MN 56502.**

Your prompt reply will help my/our transaction.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Date

Privacy Act Notice: This information is to be used by the agency collecting it in determining whether you qualify as a prospective borrower under its program. It will not be disclosed outside the agency without your consent except to your employer(s) for verification of employment or to financial institutions for verification of your deposits and loans permitted by law. You do not have to give us this information, but if you do not, your application for approval as a prospective borrower may be delayed or rejected. The information requested in this form is authorized by Title 38, U.S.C., Chapter 37 (if VA); by 12 U.S.C., Section 1701 et seq. (if HUD/FHA); by 42 U.S.C., Section 1452b (if HUD/CPD); and Title 42, U.S.C., 1471 et seq., or 7 U.S.C., 1921 et seq. (if USDA, FmHA).

# MMCDC Loan Application

**\$50.00 Application Fee**



Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock, or (4) any other person or entity providing a guarantee on the loan.

Name	Business Phone	Residence Phone
Residence Address	Email Address	Website
City, State & Zip	Social Security Number	
Business Name of Applicant/Borrower	Tax ID Number	

CHECK AS APPLICABLE: Applicant is applying for this loan:

- Individually, without a co-applicant or guaranty of a relative or other person(s) or entity.
- Jointly, with a co-applicant, or the guaranty of one or more persons or entities.

- All co-applicants and guarantors must complete a separate application form unless listing assets jointly.
- All owners, partners, directors, guarantors and stockholders with 20% or more ownership must submit a signed application form.

Name of co-applicant or guarantor: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Name of co-applicant or guarantor: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Name of co-applicant or guarantor: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

**Please list all owners of the business:**

NAME	SOCIAL SECURITY NUMBER	PERCENT (%) OWNED
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

### CURRENT EXPENSES AND CONTINGENT LIABILITIES

<b>Contingent Liabilities for Year</b> _____		
Endorser on Notes / Contracts \$ _____	Guarantor on Notes/Contracts \$ _____	For Taxes \$ _____
Other (Describe) \$ _____	\$ _____	TOTAL CONTINGENT LIABILITIES \$ _____
<b>Other Expenses for Year</b> _____		
Rental expenses \$ _____	Other expense \$ _____	TOTAL EXPENSES \$ _____

## LOAN APPLICATION

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Name of Business (Legal Name): \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Business Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Federal Tax ID #: \_\_\_\_\_

### Principals

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

Social Security #: \_\_\_\_\_

### Type of Business

Sole Proprietorship \_\_\_\_\_ Corporation \_\_\_\_\_ Partnership \_\_\_\_\_

Date Established \_\_\_\_\_

Loan Request Amount \_\_\_\_\_

### Participating Bank Lender

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Contact Phone: \_\_\_\_\_

**Describe the type of business in which the applicant is engaged.**

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**Describe the project for which applicant is seeking an MMCDC loan.**

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**EXISTING BUSINESS FINANCING OBLIGATIONS** (Date of most recent balance sheet)

<b>CREDITOR NAME</b>	<b>ORIGINAL AMOUNT/ DATE</b>	<b>PRESENT BALANCE</b>	<b>MATURITY DATE</b>	<b>INTEREST RATE</b>	<b>MONTHLY PAYMENT</b>	<b>PAYMENT STATUS</b>

**PROJECT FINANCING SUMMARY**

**SOURCE AND USE OF FUNDS**

	<b>MMCDC</b>	<b>BANK</b>	<b>EQUITY</b>	<b>OTHER</b>	<b>OTHER</b>	<b>TOTAL</b>
Property Acquisition						
Site Improvement						
Building Renovation						
New Construction						
Machinery & Equipment						
Working Capital						
Inventory						
Debt Refinancing						
Other						
Other						
Total						

**PROPOSED FINANCING TERMS**

	<b>MMCDC</b>	<b>BANK</b>	<b>EQUITY</b>	<b>OTHER</b>	<b>OTHER</b>	<b>TOTAL</b>
Amount	\$	\$	\$	\$	\$	\$
% of Project Cost	%	%	%	%	%	%
Term (years)	yrs	yrs	yrs	yrs	yrs	yrs
Interest Rate	%	%	%	%	%	%
Debt Service	yrs	yrs	yrs	yrs	yrs	yrs
Lien Position						
Collateral						
Guarantee						

**ADDITIONAL REQUIRED INFORMATION**

The information included in the attached “Exhibit A – Application Exhibits” shall also be provided to MMCDC as part of this loan application

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I declare that the information provided on this application and the accompanying exhibits is true and complete to the best of my knowledge. I understand that the Midwest Minnesota Community Development Corporation has the right to verify this information and will be in contact with those individuals and institutions involved in the proposed project. I also understand that if this loan is approved it will be sold to the secondary marketplace. I authorized the Midwest Minnesota Community Development Corporation to share information contained in this application process with prospective purchasers in order to evaluate the feasibility of selling this loan.

By \_\_\_\_\_

Its \_\_\_\_\_

Date \_\_\_\_\_

**Submit completed application to: Midwest Minnesota Community Development Corporation  
119 Graystone Plaza  
P.O. Box 623  
Detroit Lakes, MN 56502-0623  
(218) 847-319**

## **EXHIBIT A: APPLICATION EXHIBITS**

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### **Exhibit 1**

#### **History and Description of Business**

Briefly describe the past operation of the business and/or events leading up to its creation. Include information on the product lines or services, industry, management and key employees, the operation's growth and affiliates.

### **Exhibit 2**

#### **The Project and Related Marketing Plan**

Describe the proposed project for which financing is being requested. Detail the marketing strategy and describe how it will support the planned business expansion or start-up. Include information on the following:

- current customers and target markets (provide copies of contracts, purchase orders, etc. which relate to the loan request)
- manufacturing process and materials
- major suppliers
- competition and comparison of products
- pricing, distribution and promotion

### **Exhibit 3**

#### **Detailed Source and Use of Proceeds**

Detail how the total project amount will be used including all sources of funds. Attach written cost estimates.

### **Exhibit 4**

#### **List of Collateral**

Provide a detailed list of all collateral offered, new and existing, its value, and security position by funding source.

### **Exhibit 5**

#### **Commitment Letters**

Include firm commitments from banks and other participating lenders stating the terms and conditions of their financing.

### **Exhibit 6**

#### **Impact on Community/Jobs**

Describe how the proposed project will benefit the community or area in which the business is located. Briefly describe direct and indirect employment benefits, effect on the tax base (if any), and benefits to other businesses and organizations.

### **Exhibit 7**

#### **Financial Statements**

Provide balance sheets and income statements for the past three fiscal years.

### **Exhibit 8**

#### **Interim Statement**

Provide balance sheets and an income statement that is less than 90 days old.

### **Exhibit 9**

#### **Projections**

Provide two years pro forma balance sheets, income statements and cash flows stated on a monthly and annual basis. Define the assumptions used to derive the projections.

### **Exhibit 10**

#### **Resumés and Personal Financial Statements**

Provide resumés of all principals as well as current, dated and signed personal financial statements on all principals with a significant financial interest in the business.

### **Exhibit 11**

#### **Affiliates**

Provide a description of any affiliates or subsidiaries of business or principals requesting assistance, as well as balance sheets and income statements for the past two fiscal years.

### **Exhibit 12**

#### **Appraisals/Proposed Lease/Purchase Options or Agreements**

An independent appraisal may be required for any real estate which is a subject of the proposed financing, or which is offered as a major source of collateral to secure the loan. Also include copies of existing or proposed lease(s), purchase options or agreements, or other financial arrangements.

### **Exhibit 13**

#### **Partnership Certificate of Authorization or Corporate Certificate of Authority**

Include minutes of the corporate meeting adopting this certification, where applicable. Evidence of corporate action approving the borrowing will be required at closing.

### **Exhibit 14**

#### **Other Required Attachments**

- Copy of last year's business income tax statement.
- Copy of last year's personal income tax statement of principals.
- A letter from the County Clerk and County Treasurer verifying that there are no outstanding judgments or tax liens against the business or owners of the business.
- Evidence of payment of last quarter's payroll tax.
- Evidence of Worker's Compensation insurance coverage.

## **EXHIBIT B: LOAN CRITERIA**

### **FINANCING POLICIES**

#### **Loan Amounts:**

- \$50,000 minimum
- \$2,500,000 maximum

#### **Eligible Projects:**

- Funded project must be within a member's area of operations.
- Borrower may be a for-profit business entity, non-profit entity, cooperative or local unit of government.
- A financial institution must be a participant in the project financing.

#### **Allowable Use of Proceeds:**

- MMCDC financing assistance may include, but is not limited to: fixed assets, including land and building purchase, building construction, leasehold improvements and renovations; acquisition, renovation or moving machinery and equipment; and working capital loans secured by fixed assets with fixed repayment schedules (not lines of credit).
- Loans may not be used to refinance existing debt.

#### **Ineligible Use of Proceeds:**

- Speculative real estate developments.
- Purchase of equity positions in business enterprises.

#### **Interest Rates:**

- Adjustable and fixed rate loans are available, with rates determined by the MMCDC member originating the loan.

#### **Loan Term Length:**

- The term of each loan will be determined on a case-by-case basis, with the primary factor being the collateral offered. Loans secured by real estate will generally not exceed 20 years, and loans secured by machinery and equipment will generally support a loan term of up to 10 years, not to exceed the depreciated life of the asset being financed. When possible, the MMCDC loan will coincide with the term of the participating bank loan, including any balloon maturity provisions.

#### **Fees and Charges:**

- A 1.75% loan origination fee will be charged to all MMCDC borrowers. This fee will be assessed only for approved loans, but must be paid at or prior to loan closing.
- A 0.5% loan underwriting fee shall be paid by the borrower at loan closing.
- Borrowers are responsible for paying all legal and other loan closing costs incurred by MMCDC.

### **CREDIT CRITERIA**

#### **Equity or Cash Requirements:**

- Loan applicants must demonstrate an acceptable level of project equity, with a minimum of 10% equity provided by the borrower. Subordinated debt within the same project financing may be considered as additional equity, subject to an intercreditor agreement. All other criteria will apply, including subordinate debt, with calculating debt coverage.

#### **Collateral Requirements:**

- Loan collateral coverage must be at least 90% of the MMCDC loan amount on appraised value of assets, less all senior debt.
- MMCDC will consider the following collateral positions: first security interest, shared first security interest, subordinated security interest and shared subordinated security interest.

#### **Debt to Worth:**

- MMCDC will consider financing projects that have a tangible net worth ratio on an actual and pro forma basis of no greater than 10 to 1 (10% project equity or greater). Each project shall be analyzed on its own merits and its ability to service both existing and new debt.
- MMCDC borrowers (real estate holding companies excluded) should have a tangible net worth of 5 to 1 or less, based upon their most recent financial statements and, on a pro forma basis, reflecting the new proposed debt.

#### **Personal Guarantees:**

- Personal guarantees will be required for all owners with 20% or greater ownership in closely held businesses.

#### **Management Experience & Company Performance:**

- The MMCDC will require that the project have capable, skilled management through experience or expertise in the applicant's industry, either through previous successful business ownership or through appropriate managerial support services. Borrowers having erratic or undocumented earnings, or borrowers having new and unproven management, will require more loan risk sharing by the MMCDC member originating the loan.

#### **Repayment Ability:**

- Applicants must demonstrate adequate historical cash flow showing trends that support debt service coverage of at least 1.1 to 1. Pro forma financial cash flows must also support debt service coverage of at least one to one.

**Applicants: Please complete this application and the following miscellaneous forms available at [www.mmcdc.com](http://www.mmcdc.com):**

- Child Support Payment Investigation Form. Child support payment delinquency may affect applicant's loan eligibility.
- Debarment Certification. If you have been suspended from performing work for the government, you may not be eligible for a MMCDC loan.
- Civil Rights monitoring information. MMCDC needs the information to insure compliance to our loan program funders.
- Credit Report Verification and Authorization to release information. MMCDC needs this form to verify information in the loan application.

**Amount of loan requested \$ \_\_\_\_\_ Collateral \_\_\_\_\_ Value \$ \_\_\_\_\_**

**Purpose of loan \_\_\_\_\_**

**Type of business: \_\_\_\_\_**

### **Applicant Information**

Date of birth \_\_\_\_\_ Applicant is:  Married  Separated  Unmarried (includes single, divorced or widowed)

Occupation _____	Name of Employer _____	No. of Yrs. _____	Salary \$ _____ per
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Other income (pension, social security, dividends, interest, etc.)  
Source: \_\_\_\_\_ \$ \_\_\_\_\_ per

Number of Dependents: \_\_\_\_\_ Ages: \_\_\_\_\_

### **Business and Personal References (Non-Family)**

Name	Address	Phone	Relationship
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Name, Address and Phone Number of closest relative not living with you  
\_\_\_\_\_

Are you, (a) presently under indictment, on parole or probation or (b) have you ever been charged with or arrested or convicted of any criminal offense other than a vehicle violation? Yes No

Have you, (a) been involved in bankruptcy or insolvency proceeding or (b) have pending personal or business judgments, unsettled lawsuits or major disputes? Yes No

Have you applied for a loan with MMCDC before? \_\_\_\_\_ If yes, fill in date \_\_\_\_\_

Have you applied for a bank loan for this business? \_\_\_\_\_ Where? \_\_\_\_\_

**Please attach a list explaining any unsatisfactory accounts that may appear on your credit report.**

I hereby authorize MMCDC or any of its affiliates to make all inquiries it deems necessary to verify the accuracy of the information provided herein, to determine my credit-worthiness, and for any other purpose related to my credit transaction with them. Further, I hereby certify that the enclosed application information, including any attachments/exhibits, is valid and correct to the best of my knowledge.

\_\_\_\_\_  
Applicant or Guarantor's Signature Date

\_\_\_\_\_  
Co-Applicant Signature (if listing assets jointly) Date

MMCDC practices equal treatment of clients. MMCDC does not discriminate on the grounds of race, color, religion, gender, marital status, disability or national origin in services or accommodations offered to our employees, clients or guests.