



MARINETTE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION, INC.



Revolving Loan Fund Manual and Application

Revised 28 October 2014

REVOLVING LOAN FUND MANUAL

MARINETTE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION

PURPOSE

Marinette County Industrial Development Corporation (MCIDC) encourages creation and retention of permanent jobs with competitive wages relevant to skills/experience, promotes a diverse mix of employment opportunities and leverages investment capital in Marinette County (County) through the availability of the Revolving Loan Fund (RLF) programs.

EQUAL ACCESS / NON DISCRIMINATION

It is the express policy of the MCIDC to give potential clients equal access to programs and loan funds regardless of age, race, creed, color, handicap, sex, sexual orientation, developmental disability, national origin, ancestry or marital status.

BUSINESS ELIGIBILITY

Any business located in Marinette County or proposing to locate in Marinette County shall be eligible to apply. Applications may be submitted by the owner, sole proprietor or executive officer of any business wishing to establish or expand in the County.

No member of the governing body, loan review board, or any other official, employee, or agent of MCIDC who exercises decision-making functions or responsibilities in connection with the implementation of this program is eligible for financial assistance under this program.

FINANCING METHOD

All revolving loan fund (RLF) loans shall be direct loans that are made on a companion basis with other sources of financing.

USE OF PROCEEDS

Loan proceeds may be used for the following purposes:

- The acquisition of land, buildings and capital equipment.
- Site preparation and the construction or reconstruction of buildings or the installation of capital equipment.
- Demolition, removal of structures, rehabilitation of buildings and other such improvements.
- The payment of assessments for sewer, water, street, and other public utilities if the provision of the facilities will directly create or retain jobs.
- Working capital.

Loan proceeds may not be used to refinance existing loans except bridge and/or construction loans.

TERMS AND CONDITONS

Loan Size (RLF dollars)

The minimum loan amount is \$10,000.

Leveraging

- A minimum of ten percent (10%) of the total project cost shall be provided in the form of owner's equity.
- The RLF may provide a maximum of forty percent (40%) of the total project cost.
- Other sources of financing including 10% owner's equity shall provide a minimum of sixty percent (60%) of the total project cost.
- Create or retain one permanent, one full time equivalent position per \$20,000 loaned.
- Loan payments are set up to be automatically debited on a monthly basis.
- The applicant must demonstrate that the proposed project is viable and the business will have the economic ability to repay the funds.
- Loan recipients are required to submit yearly progress reports during the outstanding term of the loan.
- Loan recipients will allow periodic site visits to verify information & the progress of a project.
- Applicants shall comply with all applicable local, state, and federal laws and codes.

Loan Term

- Working Capital – up to 5 years.
- Machinery, equipment and fixtures– up to 10 years.
- Real Estate – maximum term of 5 years; this can be amortized on a 20-year basis.
- The loan shall not have a term longer than the terms of the other private financing in the project.

INTEREST RATE

Interest rate can be negotiated and will be set at the time of approval.

PAYMENTS

Amortization schedules will be set up for monthly payments. There are no prepayment penalties.

Any payments made 30 days after the due date will be considered late & incur a late charge of 3% of the unpaid payment amount.

DEFERRAL OF PAYMENTS

Deferral/reduction of principal and/or of interest of the RLF portion of the project shall be allowed only under special circumstances and only by formal action of MCIDC.

JOB CREATION

It is expected Revolving Loan Funds will lead to business expansion with related job creation. Applicants for loans showing creation/retention of jobs will be given priority.

COLLATERAL

- MCIDC shall have a first position lien unless the need to subordinate to another lender is demonstrated. In that case, MCIDC will seek the best possible collateral position possible to ensure RLF loans are adequately secured with intercreditor agreements whenever possible.
- Personal and/or corporate guarantees shall be required in all cases.
- Other conditions or performance standards may be required.
- When real estate is used as collateral, MCIDC has the right at its option to require an environmental audit on the real estate, to require certificates of insurance with MCIDC's lien listed in an amount to be determined at the time of loan approval and to require timely payment of real and/or personal property taxes associated with the property
- If equipment is used as collateral, MCIDC has the right to require certificates of insurance covering the value of the equipment and naming MCIDC as loss payee.
- May be required to have life insurance naming MCIDC as loss payee.

PERFORMANCE MONITORING

Leverage Commitments

Marinette County Association for Business and Industry, Inc. (MCABI) staff shall monitor the expenditure and the use of funds committed for leveraging. Documentation required from the borrower shall include, but not be limited to, invoices, receipts, final bills of sale or canceled checks as determined appropriate by MCABI staff or MCIDC. Failure to meet the agreed upon leveraging condition may place the loan in default.

Job Creation/Retention

MCABI staff shall monitor the job creation and/or retention commitment of the borrower utilizing the payroll records of the business. The business shall be required to provide MCABI staff, upon demand, with all documentation, payroll records, and contact with employees necessary to document job creation/retention performance. Failure to meet the job creation/retention commitment may place the loan in default.

Other Terms and Conditions

MCABI staff and/or MCIDC may monitor compliance with all terms and conditions of the loan. The borrower shall be required to provide MCABI staff and/or MCIDC with any and all documentation and records on demand or on-site inspection deemed necessary to determine compliance. Failure to meet all terms and conditions may place the loan in default.

DEFAULT

It is the policy of MCIDC to insist upon prompt payment of the due installments and strict compliance with ALL terms and conditions of the note mortgage, loan agreement, and other documents. Any request for relief shall be directed to the MCIDC Fund Administrator. There shall be no deviation from the terms of the note or other documents without prior formal action of MCIDC.

Failure by borrower to make any payment of principal or interest within 30 days after payment is due and payable, or failure to meet agreed upon terms/conditions shall be considered a default. In the event of default, all sums due and owed to MCIDC shall, at MCIDC's option, become immediately due and payable upon written notice to the borrower.

The written notice shall specify the following:

- The default.
- The action required to cure the default.
- A date, not less than 30 days from the date of the notice, by which the default must be cured to avoid foreclosure or other actions or penalties.
- Any penalties incurred as a result of the default.

PENALTIES

MCIDC shall review each default individually. It may, at its discretion and in addition to the other collective actions, increase the interest rate of the loan upon declaration of default.

LIQUIDATION

Immediate liquidation of security is authorized and approved by the borrower under any of the following conditions:

- The borrower is in default in the payment of one or more installments due under a note or has defaulted in the performance of conditions contained in the note, loan agreement, security agreement, other instruments, and the failure to cure such default or to make acceptable arrangements to cure the same is due to lack of diligence; other circumstances within the borrower's control; the inability of the borrower to remedy the default.
- Foreclosure or other proceedings have been instituted which may jeopardize the interest of MCIDC.
- A borrower has filed a voluntary petition or an involuntary petition has been filed against the borrower pursuant to any of the provisions of the Bankruptcy Act, as amended.
- A receiver has been appointed or other judicial action taken for the purpose of liquidating the borrower's assets.

- The borrower has made an assignment for the benefit of creditors which may result in the liquidating of assets.
- The borrower is in default and has discontinued or abandoned the business and has not submitted an acceptable plan of payment.
- The failure of the borrower to disclose in the loan application any fact deemed by MCIDC to be material misrepresentation or the making of any false statement by, on behalf of, or for the benefit of, the borrower in the loan application, in any of the loan instruments or any affidavit or other document submitted in connection with such application.

FORECLOSURE OF COLLATERAL

Real and personal property, including contracts and claims, pledged as security for payment of a loan that is in default may be sold in accordance with provisions of the note or the security instrument whereby such property was pledged as collateral.

Payments or recoveries under or upon a loan from any other source as well as all reasonable expenses including advances for the care, preservation and maintenance of the collateral securing the loan incurred by MCIDC shall be shared on a prorated basis by MCIDC and a participating public or private lending institution in accordance with their respective interests in the loan unless the security of MCIDC is senior to the participating lending institutions.

SALE OF ACQUIRED COLLATERAL

Property acquired by MCIDC in the liquidation of loans may be offered for sale by MCIDC. All sales, unless otherwise authorized, will be by competitive bid. In those instances where property which has been acquired cannot be sold advantageously by competitive bid, MCIDC may negotiate with prospective purchasers for the sale of the property.

The right, title and interest of MCIDC in property sold will, unless otherwise authorized, be conveyed by an appropriate bill of sale or deed, without representation warranty.

MCIDC may rent or lease acquired property, with or without an option to purchase.

INTEREST RATE REDUCTION PROGRAM – REVOLVING LOAN FUND

An interest rate reduction program may be available to reward those company/individual loans that have obtained levels of employment, specifically jobs retained or created, as agreed upon in the original loan application.

The interest rate adjustment is based on the company’s overall performance and employment levels for the six months prior to July 1 of each calendar year. To be eligible, the loan must be contractually current and in good standing with the information listed below, furnished to MCIDC no later than August 15 of each calendar year for a rate reduction consideration. The interest rate modification will commence September 1 for a period of twelve months. In the event a business does not continue to qualify for the annual rate reduction, interest will revert to the rate set forth in the loan document.

Required information:

- Form 941 Employer’s Quarterly Federal Tax Return for the first two quarters of the calendar year.
- Wisconsin Quarterly Unemployment Insurance Contribution Report for the first two quarters of the calendar year.
- Prior years Federal 1040 Tax Return, 1120S Return **or** Schedule C.

ADMINISTRATION

- The Marinette County Revolving Loan Fund is administered by the Marinette County Association for Business and Industry, Inc. (MCABI) Executive Director on a contractual basis with MCIDC.
- The MCIDC Fund Administrator performs the day-to-day loan administrative functions, including but not limited to, preliminary meetings; review of applications for completeness, conformance to guidelines and regulations; analyzing applications and making recommendations to MCIDC; monitoring compliance with loan terms and conditions; related record keeping requirements; and, calling meetings of MCIDC.

ACKNOWLEDGE RECEIPT OF POLICY AND PROCEDURE MANUAL

SIGNED: _____ **TITLE** _____

TYPE OR PRINT NAME

SIGNED: _____
NAME _____ **TITLE** _____

TYPE OR PRINT NAME

DATE: _____

REVOLVING LOAN FUND APPLICATION*

MARINETTE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION

(Attach additional pages as needed)

APPLICANT				% OF OWNERSHIP		D.O.B.	
HOME ADDRESS				HOME PHONE		Soc. SECURITY	
APPLICANT				% OF OWNERSHIP		D.O.B.	
HOME ADDRESS				HOME PHONE		Soc. SECURITY	
BUSINESS NAME				D/B/A			
OWNER/ CORPORATE OFFICER		Title		OWNER/ CORPORATE OFFICER		Title	
PHYSICAL ADDRESS				MAILING ADDRESS			
BUSINESS PHONE #.		OTHER #		CONTACT PERSON		Phone	
E-MAIL				WEBSITE			
EIN				NAICS		DUNS	
TYPE OF BUSINESS				YEARS IN BUSINESS			
LEGAL STRUCTURE	<input type="checkbox"/> C-CORP <input type="checkbox"/> S-CORP <input type="checkbox"/> LLC <input type="checkbox"/> LLP <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> SOLE PROPRIETOR <input type="checkbox"/> NON-PROFIT						
BUSINESS EXPERIENCE							
EDUCATION				ROLE IN BUSINESS			
CURRENT EMPLOYEES	FT		PT	JOB BEING CREATED OR RETAINED*	FT		PT
CURRENT WAGE SCALE				PROPOSED WAGE SCALE			
BENEFITS	<input type="checkbox"/> HEALTH INSURANCE <input type="checkbox"/> LIFE INSURANCE <input type="checkbox"/> PENSION <input type="checkbox"/> 401(K) <input type="checkbox"/> TUITION REIMBURSEMENT <input type="checkbox"/> OTHER: (SPECIFY)						
DESCRIBE THE PROJECT/ HOW MONEY WILL BE USED & BENEFIT TO BUSINESS							
FINANCIAL CONSULTANT				ADDRESS			
TELEPHONE				E-MAIL			

*APPLICANTS FOR LOAN SHOWING JOB CREATION A/O JOB RETENTION WILL BE GIVEN PRIORITY

AMOUNT OF LOAN REQUESTED _____

USE OF FUNDS*	SOURCE OF FUNDS**	COMMITTED	TOTAL FUNDS

* Equipment, Real Estate, Working Capital

** Bank, Owner's Equity, Other

Have you or any officers of your company been involved in bankruptcy or insolvency proceedings?

YES NO **If yes, please provide details as a separate exhibit.**

Are you or your business involved in any pending lawsuits?

YES NO **If yes, please provide details as a separate exhibit.**

Do you or your spouse or any member of your household, or anyone who owns, manages or directs your business or their spouse or members of their household work for the County or hold an official position with the County?

YES NO **If yes, please provide details as a separate exhibit.**

Does your business, its owners, or majority stockholders own or have a controlling interest in any other Business?

YES NO **If yes, please provide individual business names and relationship to your company along with a current balance sheet and operating statement for each business as a separate exhibit.**

Do you buy from, sell to, or use the services of any concern in which someone in your company has a significant financial interest?

YES NO **If yes, please provide details as a separate exhibit.**

Have you ever been convicted of a crime of dishonesty?

YES NO **If yes, please provide details as a separate exhibit.**

Have you ever been delinquent in any payment of taxes?

YES NO **If yes, please provide details as a separate exhibit.**

The following exhibits must be completed where applicable. All questions answered and exhibits are made a part of the application.

All materials requested must be included with the application. The following specific information should be included as a part of your application.

Business Plan and Financing Proposal*

Resume(s) of ownership interest that is 20% or more and/or the management team

Earning projections for three years from the date of application

12 Month Cash Flow Analysis

List of collateral with current values documented

Balance Sheet and Income Statement for the last three years for an existing business

Signed copies of Federal Tax Returns for the past three years

Operating agreement for partnerships and corporations

A copy of corporation papers or LLC: Annual reporting must be current

Personal Financial Statement dated within 90 Days of application, if an ownership interest in business is 20% or more

Proof of Business & Liability Insurance

*** NOTE: If you do not have a current Business Plan, the MCIDC Fund Administrator and/or the University of Wisconsin's Small Business Development Center's business consultants can help you develop your Business Plan.**

CERTIFICATION STATEMENT

THE APPLICANT(S):

Certifies that, to the best of their knowledge and belief, the information being submitted to MCDIC is true and correct;

Certifies that MCIDC is authorized to obtain a credit report and/or reference checks on the applicant, the business and/or the individuals(s);

Certifies that MCIDC is authorized to obtain surveys, title or mortgage examination, appraisals, recording fees or the like performed by non-County personnel at the expense of the applicant;

And you understand that, unless it qualifies as trade secret or legal confidential information, all information submitted to MCIDC is subject to Wisconsin's Open Records Law.

LOAN FEES: THERE IS A NON-REFUNDABLE, ONE PERCENT (1%) FEE, DUE AT THE TIME THE LOAN IS DISBURSED. Any other fees associated with loan preparation are also due at closing. All fees are payable to Marinette County Association For Business And Industry, Inc.

SIGNED: _____
TITLE

TYPE OR PRINT NAME

SIGNED: _____
NAME **TITLE**

TYPE OR PRINT NAME

DATE: _____

Applicant requests MCIDC treat the following items as Trade Secret:

INDIVIDUAL FINANCIAL STATEMENT

IMPORTANT: Date and sign statement

Date of Financial Statement: _____

Name: _____

Address: _____

To: _____

For the purpose of obtaining credit from Lender and any future credit granted by Lender, or to support the extension of credit already given, I make the following statement to Lender of my financial condition on this date: _____. This statement is the Lender's property.

For Wisconsin residents only: I am married unmarried legally separated

Name of Spouse _____ Address _____

NOTICE TO MARRIED APPLICANTS: No provision of any marital property agreement, unilateral statement under §766.59, Wis. Stats., or court decree under §766.70, Wis. Stats., adversely affects the interest of the creditor unless the creditor, prior to the time the credit is granted or an open-end credit plan is entered into, is furnished a copy of the agreement, statement or decree or has actual knowledge of the adverse provision.

INSTRUCTIONS FOR INFORMATION TO BE SUPPLIED BELOW:

Individual Credit: If a married applicant is applying for individual credit, complete this statement including all marital property and all individual property of the applicant, but do not include individual property of the non-applicant spouse. Include all liabilities of both spouses. Only the applicant must sign on page 2.

Joint Credit with spouse as joint applicant: If married applicants are applying for joint credit, include all assets and all liabilities of both spouses. Both spouses must sign this statement.

Joint Credit with _____, as joint applicant, who is not your spouse. If a married applicant is applying for joint credit with someone other than his or her spouse, each applicant must complete a separate statement as if applying for individual credit, including all marital property and all individual property of the applicant. Do not include any individual property of the non-applicant spouse. Include all liabilities of the applicant and the applicant's spouse. Only the applicant must sign on page 2.

For purposes of this statement: Marital property means assets acquired with my or my spouse's income on or after January 1, 1986; and Individual Property means property owned (whether in joint or sole name) by me prior to marriage, prior to establishing residence in Wisconsin, or prior to 1-1-86, however acquired, and property acquired by me by gift or inheritance at any time.

COMPLETE ALL B LANKS , WRITING " NO" OR " NONE" WHERE NECESSARY

ASSETS		LIABILITIES OF APPLICANT AND SPOUSE	
Cash on Hand and in Financial Institutions (Schedule A)		Notes Payable – Lenders/Secured (Schedule E)	
Gov't and Listed Securities (Schedule B)		Notes Payable – Lenders/Unsecured (Schedule E)	
Unlisted Securities (Schedule B)		Notes Payable Others (Schedule E)	
Notes and Loans Receivable (Schedule F)		Life Insurance Loans (Schedule C)	
Homestead and Real Estate Owned (Schedule D)		Due to Brokers	
Automobiles		Accounts Payable	
Other Personal Property:		Unpaid Income Taxes	
Cash Value Life Insurance (Schedule C)		Real Estate Mortgages Payable (Schedule D)	
Securities Held by Brokers in margin Accts.		Real Estate Taxes	
Equity in Partnership		Credit Cards	
Equity in Proprietorship		Other Debts (itemize Below)	
Vested Pension Benefits or Profit Sharing			
Other Assets: (Itemize Below)			
		Other Debts itemized Below	
		Total Liabilities	
		Assets less Liabilities = Net Worth	
		TOTAL LIABILITIES and NET WORTH	

SOURCES OF INCOME FOR YEAR ENDED		CONTINGENT LIABILITIES OF APPLICANT AND SPOUSE	
Salaries & Bonuses*		As Endorser, Co-Maker, or Guarantor	
		On Lease or Contracts	
Commissions		Legal Claims	
Dividends & Interest		Other (describe)	
Real Estate			
Other **			
TOTAL		TOTAL	

*For Married Wisconsin residents, name each spouse include the income of each spouse.

**Income from alimony, Child Support or Separate Maintenance income and income from medical insurance, disability or wage continuation insurance need not be revealed if you do not wish the Lender to consider this income on determining your credit worthiness.

PERSONAL INFORMATION

Home Telephone: _____ Social Security No: _____

Are any assets pledged or restricted other than indicated on following schedules? Yes No If so, describe: _____

Are you a defendant in any legal actions or suits? Yes No If so, describe: _____

Are you a partner or officer in any other venture? Yes No If so, describe: _____

Do you have a will? Yes No If so, name of Personal Representative: _____

Have you ever been declared Bankrupt? Yes No If so, describe: _____

Date of Birth: _____ Driver's License No. and State: _____

COMPLETE SCHEDULES AND SIGN Identify schedule: add pages if necessary

Schedule A – Cash, Checking Accounts, Savings Accounts, & Certificates of Deposit

Type	Name of Financial Institution	Amount	In Name of:	Pledged	
				Yes	No
TOTALS					

Schedule B – U.S. Government, Listed & Unlisted Securities

No. of Shares or Face Value (of Bonds)	Description*	Owner	Market Value	Pledged	
				Yes	No
TOTALS					

*Indicate if Securities are Restricted By Contract or SEC Regulations

Schedule C – Life Insurance Carried, Include Group

Face Amount	Name of Company	Owner	Beneficiary	CASH SURRENDER	
				Value	Loans
TOTALS					

Schedule D – Real Estate owned

Address & Type of Property	Date Acquired	Owner	Cost	Market Value	Mortgage			Insurance
					Balance	Amount	Monthly	
TOTALS								

Schedule E – Names of Banks or Other Lenders Where Credit has Been Obtained

Name & Address of Lender	Borrower	Date Made	Monthly Payment	Due	High Credit	Current Balance		Sec. Or Unsec.
TOTALS								

Schedule F – Notes and Loans Receivable

Unpaid Amount	Name of Maker	Date Made	Security Pledged

NOTICE: We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

I certify that this financial statement is true and complete. I authorized Lender or its agents to verify the information obtained in this statement and to obtain additional information concerning my financial condition, including, without limitation, consumer credit reports, although Lender may rely on this financial statement without any further verification. I authorize Lender to furnish such information and any other credit experiences with me to others and to answer any questions about my credit experience and other financial relationships with lender, to the extent not prohibited by applicable law. I agree to notify Lender, in writing, of any change that materially affects the accuracy of this statement. Lender may share information bearing on my credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living with its affiliates unless: (1) I direct Lender at the address above that such information is unrelated to my transactions or experiences with Lender, and may not be shared by Lender with its affiliates, (2) the information constitutes "medical information" as defined under applicable federal law or (3) the information when provided to an affiliate would constitute a "consumer report" under applicable federal law.

It may be a crime punishable by a fine or imprisonment or both to knowingly make false statements concerning any of the above information, under provisions of applicable federal and state law.

X

Applicant Signature

X

Type or Print Name

X

Joint Applicant Spouse Signature (joint credit only)

X

Type or Print Name

For married Wisconsin resident: I understand Lender may be required by law to give notice of any credit transaction to my spouse. The credit applied for, if granted will be insured in the interest of my marriage and family.

X

Applicant Signature

X

Type or Print Name

X

Date