

# HAVANA

## Economic Development Revolving Loan Fund Guidelines

The Havana Economic Development Revolving Loan Fund is available within the City Limits of Havana, Illinois. This program works in cooperation with new and existing local business owners to help 'fill a financing gap' between available and necessary financial tools.

### Eligibility Criteria

- Subject structure must have at least the entire ground level floor space devoted to commercial use
- Applicant must be the owner of the property or occupant of property with written consent of owner to participate in Revolving Loan Fund Program
- Sound business plan with financial projections
- Adequate cash flow to service debt
- Ability to secure loan with collateral
- Creation or retention of living-wage jobs
- Contribution to the region's economic competitiveness
- Demonstrated management skills, industry experience and financial aptitude

### Use of Funds

- Purchase of Real Property
- Improvements or repairs to Real Property
- Expansion
- Machinery and Equipment
- Inventory

### Loan Terms (Please initial)

\_\_\_\_\_ Interest rate is 2% annually

\_\_\_\_\_ It is desirable for loans to be fully secured; may be subordinate to the primary lender

\_\_\_\_\_ 80% of renovation or repairs, depending on fund availability

\_\_\_\_\_ Loans are on a fixed 7-year amortized schedule

\_\_\_\_\_ Borrower will be required to pay the loan in full if the property changes ownership or there is a change in building use to non-commercial on ground floor; or business is discontinued during the loan period

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\_\_\_\_\_ Property must be reasonably maintained during the life of the loan and comply with all adopted by the City of Havana, the International Fire Code, NFPA 101 Life Safety Code, International Building Code and the Accessibility Code (ADA).

\_\_\_\_\_ Revolving Loan must be executed within thirty (30) days of City of Havana Council approval or application will need to be resubmitted.

### Required Application Attachments

- Receipt of Completed Loan Application
- Current Business Plan
- Amount and proof of business owner investment
- Listing of Business and/or Personal Liabilities
- Credit Score

Once a completed application is received, a meeting will be held with the applicant and City staff. The application will then be reviewed by a Loan Committee and their recommendation will be made at a subsequent Havana Economic Development Committee meeting. It is typical to take 2-4 weeks from the time we receive a completed application to the time a decision is made. Your application may be approved as is, approved with changes, or denied.

### Name and Address of Business

\_\_\_\_\_

### Phone Number

\_\_\_\_\_

### Email Address

\_\_\_\_\_

**Business Organization:**    Corporation \_\_\_\_\_ Sole Proprietor \_\_\_\_\_ LLC \_\_\_\_\_  
 Partnership \_\_\_\_\_ Other \_\_\_\_\_

**Business Owners Name and Addresses**

**1.** \_\_\_\_\_

\_\_\_\_\_

**2.** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Title** \_\_\_\_\_

**Percent of Ownership** \_\_\_\_\_

**Title** \_\_\_\_\_

**Percent of Ownership** \_\_\_\_\_

**Do you have a mortgage?**

**Do you have a 2<sup>nd</sup> mortgage?**

**Credit Score:**

**List of Business/Personal Liabilities:**

**Type of Business**

New Business \_\_\_\_\_

Existing \_\_\_\_\_

Number of Years Existing \_\_\_\_\_



# Economic Development Revolving Loan Fund Application

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Describe the Details of the Loan you are requesting:

Loan Amount \$ \_\_\_\_\_

Term of loan 7 years at 2% interest

Collateral to be used to secure the loan.

Special Payment Terms of Conditions Requested \_\_\_\_\_

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Job Impact:	Current	Additional Created within 2 years
Full Time Positions	_____	_____
Part Time Positions	_____	_____
Average Full Time Wages	\$ _____/hr.	
Average Part Time Wages	\$ _____/hr.	

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### Documentation Required:

#### All Businesses:

- Articles of Incorporation or Articles of Organization
- Operating Agreement (if LLC)
- Copy of Driver's License or State Issued ID
- Certificate of Good Standing (Secretary of State)
- Written commitment letters from all other sources of funding
- Building Cost Estimates/Plans and Specifications (two bids)

#### New Business Start-Ups Only:

- Business Plan
- Pro-forma balance sheet and projected operating statement sheet for two years

#### Costs of Revolving Loan\*

- Renovation of Building/Land
- Title Closing (reduced from loan or paid by check at closing)
- Recording of Mortgage (and deed if applicable)
- Permits/Inspections

\*All Costs should be considered when deciding on a loan amount.



# Revolving Loan Fund Application

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## Information Release Authorization

I hereby authorize the Havana Economic Development Committee to obtain background information needed in connection with my loan application such as:

- Credit report.
- Financial statements and balance verification.
- Any other information requested in connection with credit worthiness.

This information is for the use of this lender in connection with my/our loan application and the conduct of "Post Closing" Quality Control Audits as required by various government and quasi-government agencies.

A photocopy of this authorization, bearing the photocopied signatures of the undersigned, may be deemed to be the equivalent of the original and may be treated and used as a duplicate original.

Applicant Name and Address

\_\_\_\_\_  
\_\_\_\_\_

Date of Birth

\_\_\_\_\_

Co-Applicant Name and Address

\_\_\_\_\_  
\_\_\_\_\_

Date of Birth

\_\_\_\_\_

**Applicant Signature**

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

**Co-Applicant Signature**

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

# Revolving Loan Fund Application

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## Personal Information Privacy Notice

The information provided in the application materials or to be obtained separately as part of the application process will be used by the lender to determine whether you qualify as a prospective borrower for the Havana Economic Development Revolving Loan Fund. The information provided in this application and information authorized above for assistance will become a matter of public record with the exception of those items protected under Illinois State Statutes (815 ILCS 530/1 et.seq.) *Personal Information Protection Act* and (5 ILCS 140/1 Et.seq.) *The Freedom of Information Act*.

The private data whom this information may be shared include:

1. The ED Loan Review Committee; and
2. Staff who are involved in program administration; and
3. Auditors who perform required audits of the program; and
4. Authorized personnel from other County, State, Federal, or Regional Agencies; and
5. Those other persons who you authorize to see the information; and
6. Law enforcement personnel in the case of suspected fraud.

Unless otherwise authorized by IL Statutes or Federal Law, other government agencies using the private data must also handle the data as private. You may wish to exercise your rights as contained in the Illinois State Statutes *Personal Information Protection Act*.

1. The right to see and obtain copies of the data maintained on you; and
2. Be told the contents and meaning of the data; and
3. Challenge the accuracy and completeness of the data.

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Applicant Signature

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Applicant Signature

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Applicant Full Name  
(Please print)

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Applicant Full Name  
(Please print)