

Kingston Local Development Corporation

KLDC Micro Enterprise Loan Program

The Kingston Local Development Corporation's (KLDC) Micro Enterprise Lending Program provides low interest loans up to \$7,500.00. This program is for new or younger businesses which for a variety of reasons may be unable to obtain financing through traditional financial institutions.

The KLDC designed their micro loan program to focus on capital assistance for small business entrepreneurs. The lending program can provide businesses' seed capital needed to start or to continue to grow their business.

Our staff and finance committee will review each application on a case-by-case basis. If approved at this level, each application will be presented to the full Board of Directors for their review. All decisions are at the sole discretion of the Board of Directors.

OVERVIEW

- Applicant(s) must reside in Ulster County
- Business must be located within the City of Kingston
- Applicant(s) must be a minimum of 21 years of age
- Applicant(s) must be the owner of the business for which loan is being applied for
- Loans can be used for working capital and the purchases of fixed assets, including real estate
- Loans are intended to create and/or retain employment as well as for low to moderate income persons
- Loans are to assist new businesses to generate a measurable economic development impact within the City of Kingston
- Applicant(s) must show ability to repay

REPAYMENT TERMS, INTEREST RATES, and FEES

Loan repayment terms vary according to several factors:

- Loan Amount
- Planned use of funds
- Requirements determined by staff and committee
- Needs of the small business borrower

Interest rates and loan terms are subject to change at the sole discretion of the KLDC Board and applicable approvals.

Financing is currently offered at fixed rates between 2.5% - 4% depending on term of loan. No pre-payment penalty applies.

72 months – 4.00% 60 months – 3.5% 48 months – 3.00% 36 months – 2.50%

Kingston Local Development Corporation

There will be a \$25.00 late fee for all payments received ten (10) days after due date.

There is a non-refundable application/processing fee of \$100.00. While we may forgo the traditional collateral requirements based on individual request from applicant, each applicant must complete all required forms and provide a personal guarantee.

Upon approval, you will be responsible for a 1% administration fee payable to the Kingston Local Development Corporation at the time of the closing. You will also be responsible for all costs associated with the closing and attorney fees for preparation of the closing documents.

FOR YOUR CONVENIENCE, A CHECKLIST CAN BE FOUND AT THE END OF THIS APPLICATION PACKET TO ENSURE YOU HAVE EVERYTHING REQUIRED FOR YOUR APPLICATION SUBMISSION PER THE INSTRUCTION SHEET.

Kingston Local Development Corporation

Loan Application Instruction Sheet

Please complete the attached application for financial assistance in its entirety. Do NOT leave any blanks. Be sure that the application is signed, and all supporting documents are included, as required. The application and requested attachments may be subject to Freedom of Information Laws (FOIL).

The application is to be submitted with the following attachments:

A. **COVER LETTER** to the KLDC Executive Director stating why you are applying to the loan fund for financing. Also please describe the projects ability to create or retain jobs for low to moderate income persons.

B. **APPLICATION FEE** of \$100.00 for Micro Loan made payable to: Kingston Local Development Corporation.

C. **BUSINESS PLAN** explaining the proposed business.

D. **BUSINESS FINANCIAL STATEMENTS**; Balance Sheet and Reconciliation of Net Worth; Copies of prior three (3) year's business (or current interim) financials; a completed Personal Financial Statement and prior three (3) year's personal Federal Tax returns along with most recent W-2 to verify income; AND applicant must provide a current credit report which can be obtained at no cost at www.ftc.gov within 30 days of submission of application.

THE APPLICATION: Sections I, II III. Please complete the attached application for financial assistance in its entirety. Section I refers to the proprietor, general partner or corporate officer(s) signing this application form. Based on the Structure of Business, please provide copies of supporting business documents. Also please provide a brief history of your company and principals background as well as a copy of a valid/current state driver's license or non-driver's ID. If your business is a franchise, please submit a copy of the franchise agreement.

Section IV. Summary of Collateral. If your collateral consists of Land and Buildings, KLDC requires a recent bone fide appraisal of the real estate supporting the value stated in the application and a letter from the current mortgage holder stating the remaining principal balance and consenting to an additional lien position.

Section V. Sources and Uses of Funds for Project. Complete the chart to show all funding sources and all uses of the project funds. If you select Working Capital or Contingencies, submit a list on a separate sheet of paper describing uses. For capital, furniture, fixtures or other fixed asset purchases.

Exhibit B. Depending on use of loan, include purchase contracts for land and building acquisitions and contractor estimates for improvements, construction or renovations.

Kingston Local Development Corporation

KLDC staff will review the application and supporting documents. When the application is complete and the eligibility criteria have been met, the Finance Committee will review the complete application package at which time a Loan Fund Committee Report will be completed and presented to the KLDC Board of Directors for consideration.

Kingston Local Development Corporation

Micro-Loan Application for Financial Assistance

SECTION I - APPLICATION / PERSONAL INFORMATION

Name: _____

Address: _____ State: _____ Zip Code: _____

Primary Telephone No: _____ Fax No. : _____

Email Address: _____

SECTION II - INFORMATION ABOUT YOUR BUSINESS AND BUSINESS LOCATION

Name of Business: _____

Address of Business: _____ State: _____ Zip Code: _____

Business Telephone No.: _____ Business Fax No.: _____

Description of Business:

Structure of Business (DBA, Corporation, LLC, etc.) _____

Date Established: _____ Date of Incorporation: _____

Federal ID Number: _____ Social Security Number: _____

Bank where your Business has an account:

Name of Bank: _____

Address of Bank: _____ State: _____ Zip Code: _____

Telephone No.: _____

Kingston Local Development Corporation

Number of Employees:

Presently employed _____ Full Time _____ Part Time _____ FTE

Current jobs retained after project _____ Full Time _____ Part Time _____ FTE

Jobs created after project _____ Full Time _____ Part Time _____ FTE

Briefly describe the project for which this loan money is intended:

SECTION III - INFORMATION ABOUT MANAGEMENT

List the names of all owners (having 20% or greater interest), officers, directors and/or partners. Provide the percentage of ownership and the annual compensation. If more space is required, attach a separate sheet.

Name and Title: _____

Address: _____ State: _____ Zip Code: _____

Telephone No.: _____

Percentage of Ownership: _____ % Annual Compensation: \$ _____

Name and Title: _____

Address: _____ State: _____ Zip Code: _____

Telephone No.: _____

Percentage of Ownership: _____ % Annual Compensation: \$ _____

Name and Title: _____

Address: _____ State: _____ Zip Code: _____

Telephone No.: _____

Percentage of Ownership: _____ % Annual Compensation: \$ _____

Kingston Local Development Corporation

SECTION IV - SUMMARY OF COLLATERAL

All loans made through the Revolving Loan Fund are secured. Please list items to be secured. Prior to closing, you will be required to provide an appraisal and deed for real property. fixtures.

	Present Market Value	Present Mortgage Value	Date Purchased	Cost Less Depreciation
A) Land and Building	\$	\$	/ /	\$
B) Personal Residence	\$	\$	/ /	\$
E) Other	\$	\$	/ /	\$
Total Collateral Offered	\$	\$		\$

SECTION V - SOURCES AND USES OF FUNDS FOR PROJECT

PROJECT BUDGET - SUMMARY OF PROPOSED EXPENDITURES

USE OF FUNDS	SOURCE OF FUNDS			Total
	Loan Fund	Owner Equity	Bank / Other (specify)	
Land Acquisition				
Clearance and Demolition				
Streets / Site Improvements, Parking Facilities				
Water / Sewer Facilities				
Buildings: ___ Acquisition ___ Construction ___ Renovation /				
Reconstruction				
Capital Equipment: ___ New ___ Used				
Furniture / Fixtures ___ New				

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___Used				
Professional Fees				
Working Capital (attach a detailed list)				
Contingencies				
TOTAL PROJECT COSTS	\$	\$	\$	\$

Term of Loan Requested: _____ years / months

Kingston Local Development Corporation

PERSONAL FINACIAL STATEMENT

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

Name: _____

Residence Address: _____

City: _____ State: _____ Zip Code: _____

Business Name of Applicant / Borrower: _____

ASSETS

Cash on hand and in banks _____

Savings Accounts _____

IRA or Other Retirement Account _____

Accounts & Notes Receivable _____

Life Insurance-Cash Surrender Value Only (Complete Section 8) _____

Stocks and Bonds (Describe in Section 3) _____

Real Estate (Describe in Section 4) _____

Automobile - Present Value _____

Other Personal Property (Describe in Section 5) _____

Other Assets (Describe in Section 5) _____

TOTAL _____

Kingston Local Development Corporation

LIABILITIES

Accounts Payable _____

Notes Payable to Banks and others (describe in Section 2) _____

Installment Accounts (auto) _____

Installment Accounts (other) _____

Loan on Life Insurance _____

Mortgages on Real Estate (describe in section 4) _____

Unpaid Taxes (describe in section 6) _____

Other Liabilities (describe in section 7) _____

Total Liabilities \$ _____ Net Worth \$ _____

Total \$ _____

As Endorser or Co-Maker _____

Legal Claims & Judgements _____

Provision for Federal Income Tax _____

Other Special Debt _____

Kingston Local Development Corporation

Section 1. (Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted towards Income.)

Salary _____

Net Investment Income _____

Real Estate Income _____

Other Income (Describe Below) _____

Description of other Income:

Section 2

NOTES PAYABLE TO BANKS AND OTHERS

Name & Address of Note Holder	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3

STOCKS AND BONDS

Number of Share	Name of Securities	Cost	Market Value Quotation / Exchange	Date of Quotation / Exchange	Total Value

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Section 4

REAL ESTATE OWNED

	Property A	Property B	Property C
Type of Property			
Name & Address of Title Holder			
Date Purchased			
Original Cost			
Present Market Value			
Name and Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount Payment per Month / Year			
Status of Mortgage			

Section 5

OTHER PERSONAL PROPERTY AND ASSETS: *(Describe, and if any is pledged as security, state name and address of lien holder amount of lien, terms of payment, and if delinquent, describe delinquency.)*

Section 6

UNPAID TAXES: *(Describe in detail, type, to whom payable, when due, and to what property, if any, attach tax lien.)*

Kingston Local Development Corporation

Section 7

OTHER LIABILITIES: *(Describe in detail)*

Section 8

LIFE INSURANCE HELD: *(Give face amount and cash surrender value of policies – name of insurance company and beneficiaries.)*

PERSONAL FINANCIAL STATEMENT

Have you ever gone through Bankruptcy or comprised a debt? NO YES
If YES, Please **attach** an explanatory statement.

If this is a statement of you and your spouse, are any assets a spouse's separate property? NO YES
If YES, Please **attach** an explanatory statement.

Are any assets pledged or debts secured except as shown above? NO YES
If YES, Please **attach** an explanatory statement.

Kingston Local Development Corporation

Micro-Loan Application for Financial Assistance

The information contained in this statement is provided for the purpose of obtaining a loan from funding programs on my / our behalf or on the behalf of firms or corporations in whose behalf I / we may, either severally or jointly with others, execute a guaranty in favor of the funding program. I / we understand that this information, including the designation made as to ownership of the property will be used in deciding to grant or continue credit. I / we certify that the information provided is true and complete to the best of my / our knowledge. I / we authorize the loan fund administrator to check my / our credit history and employment listing or to make all other inquiries you deem necessary to verify the accuracy of the statements made on this form in determination of my/our credit-worthiness and answer questions about or report my/our credit experience.

(Print Name)

(Signature)

(Social Security Number)

(Date)

(Print Name – *Joint Applicant*)

(Signature – *Joint Applicant*)

(Social Security Number)

(Date)

(Print Name – *Joint Applicant*)

(Signature – *Joint Applicant*)

(Social Security Number)

(Date)

KLDC Micro Business Loan Application Checklist

_____ **COVER LETTER** to the KLDC Executive Director stating why applicant is applying for financing. Must include the projects' ability to create and/or retain jobs for low to moderate income persons. This loan program is intended to assist new businesses to generate a measurable economic development impact within the community.

_____ **BUSINESS PLAN**

_____ **APPLICATION FEE** of \$100.00 for Micro Business Loan made payable to: Kingston Local Development Corporation

_____ **BUSINESS FINANCIAL STATEMENTS**

_____ Balance Sheet and Reconciliation of Net Worth

_____ Copies of prior three (3) year's business (or current interim) financials

_____ Completed Personal Financial Statement and prior three (3) years personal Federal Tax returns

_____ Most recent W-2 to verify income

_____ Applicant must provide a current credit report which can be obtained at no cost at www.ftc.gov within 30 days of submission of application.

THE APPLICATION: Sections I, II III

_____ Completed financial assistance in its entirety.

_____ Section I refers to the proprietor, general partner or corporate officer(s) signing this application form.

_____ Based on the Structure of Business, please provide copies of supporting business documents (NYS DOS business Certificate).

_____ Brief history of company and principals' background

_____ A copy of a valid/current state driver's license or non-driver's ID.

_____ If your business is a franchise, please submit a copy of the franchise agreement.

_____ **Section IV.** Summary of Collateral. If collateral consists of Land/Buildings, KLDC requires a recent bone fide appraisal of the real estate supporting the value stated in the application and a letter from the current mortgage holder stating the remaining principal balance and consenting to an additional lien position.

_____ **Section V.** Sources and Uses of Funds for Project. Completed chart to show all funding sources and all uses of the project funds. If selected Working Capital or Contingencies, submission of a list on a separate sheet of paper describing uses. For capital or other fixed asset purchases, please provide an itemized list.

_____ **Exhibit B.** Included contractor estimates for improvements, construction or renovations. Purchase contracts for land and building acquisitions if applicable to this loan.