

# *Kingston Local Development Corporation*

## **KLDC Micro Enterprise Loan Program**

The Kingston Local Development Corporation's (KLDC) Micro Enterprise Lending Program can provide low interest loans up to \$7,500.00. This program is geared to 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 must reside in Ulster County
- Business must be located within the City of Kingston
- Applicant must be a minimum of 21 years of age
- Applicant 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 should promote employment at that business
- Project should have an economic impact on the City of Kingston
- Borrower 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 vary and are subject to change upon Board recommendation and approval. Currently set between 2.5% - 4% depending on term of loan. There will be a \$25.00 late fee for all payments received ten days after due date.

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

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.

# *Kingston Local Development Corporation*

## **KLDC Façade Loan Program**

The Kingston Local Development Corporation's (KLDC) Façade Loan Program can provide low interest loans up to \$20,000.00 with an interest rate beginning at 2.5%. All Façade Loans are approved at the sole discretion of the KLDC Board. The KLDC will consider the following criteria in reviewing applications: adherence to application and design guidelines, economic development value, other potential positive impact, visual prominence of the façade, degree of deteriorating conditions and comprehensiveness of the project. This loan product is for the correction of blighting conditions such as peeling paint, boarded up windows or windows in poor condition, signage, replacement of missing historic elements, modification or removal of inappropriate alterations and general cosmetic improvements. .

Commercial property owners located in commercial buildings in the City of Kingston are eligible. At the time of application and throughout the period of the façade project, applicants and their contractors must be in good standing with the City with respect to licenses, taxes, codes, ordinances and regulations.

If your property is located within a Historical or Heritage Area, a copy of the Certificate of Appropriateness from the Historic Landmarks Preservation Commission (HLPC) or the Heritage Area Commission (HAC) approval must be submitted along with grant application. Guidelines for improvements within the Historic District can be obtained through the Historical Landmarks Preservation and guidelines for improvements within the Heritage Area can be obtained through the Heritage Area. Commission For questions or further information, please contact HLPC at 331-1217 or HAC at 334-3957.

Prior to commencement of work, the applicant is required to provide copies of any required building and sign permits to the KLDC. Contractor estimates will be required in conjunction with application submission.

The project should be completed within six (6) months from the first advance of funds unless an extension is authorized and approved by the KLDC Board. Funds will be advanced during the project based upon inspection of premises.

Interest only will be paid on funds advanced until project completion. At that time, repayment of Principal plus Interest will commence 30 days from final inspection/approval.

Interest rates vary and are subject to change upon Board recommendation and approval. Currently set between 2.5% - 4% depending on term of loan.

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

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.

## *Kingston Local Development Corporation*

### **KLDC Revolving Loan Program**

The Kingston Local Development Corporation (KLDC) also has **Revolving Loan Programs** and the **Section 108 Loan Guarantee Program** for businesses within the City of Kingston who need additional financing. To qualify for the additional or "GAP" financing the applicant must have a Traditional Financial Institution (bank) involved as well as utilization of their own monies. Interest rates are generally lower than traditional financial institutions and are based on the credit worthiness, financial statements and current credit report provided by applicant.

Maximum amount to be financed not to exceed 20% of total project cost. The remaining project costs must be made up of traditional lender financing and owner equity.

KLDC will accept copies of all supporting information the applicant has previously submitted to their primary lending institution along with a KLDC loan application document.

The rates charged will be determined after a review of the overall application package, however, should be lower than prevailing bank borrowing rates.

For loans up to \$50,000 there is a non-refundable application/processing fee of \$150.00 and for loans of \$50,001 and above the fee is \$250 made payable to: Kingston Local Development Corporation.

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.

# 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; \$100.00 for Façade Loan; and for the Revolving Loan products, \$150.00 up to a \$50,000 loan, and a fee of \$250 for loan applications of \$50,001 and above made payable to: Kingston Local Development Corporation.

C. **COMMITMENT LETTER** or **TERM SHEET** from the lending institution (bank or credit union) providing the other project funds, indicating the amount, terms and conditions of their loan to you.

D. **BUSINESS PLAN** explaining the project.

E. **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](http://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, please provide and itemized list of model, serial and identification numbers for all items. Label the list *Exhibit B*. Include purchase contracts for land and building acquisitions and contractor estimates for improvements, construction or renovations.

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*

*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.: \_\_\_\_\_

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: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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**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: \$ \_\_\_\_\_

**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; or a list of make, model, serial number and appraised value for machinery, equipment, furniture or fixtures.

	Present Market Value	Present Mortgage Value	Date Purchased	Cost Less Depreciation
A) Land and Building	\$	\$	/ /	\$
B) Machinery and Equipment	\$	\$	/ /	\$
C) Furniture and Fixtures	\$	\$	/ /	\$
D) Personal Residence	\$	\$	/ /	\$
E) Other	\$	\$	/ /	\$
<b>Total Collateral Offered</b>	\$	\$		\$

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**SECTION V - SOURCES AND USES OF FUNDS FOR PROJECT**

**PROJECT BUDGET – SUMMARY OF PROPOSED EXPENDITURES**

USE OF FUNDS	SOURCE OF FUNDS			
	Loan Fund	Owner Equity	Bank / Other (specify)	Total
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 ___ Used				
Professional Fees				
Working Capital (attach a detailed list)				
Contingencies				
<b>TOTAL PROJECT COSTS</b>	\$	\$	\$	\$

**Term of Loan Requested:** \_\_\_\_\_ years / months

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**PERSONAL FINANCIAL 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 \_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

**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 & Judgments \_\_\_\_\_

Provision for Federal Income Tax \_\_\_\_\_

Other Special Debt \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



# *Kingston Local Development Corporation*

**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

**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			

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**Section 5**

**OTHER PERSONAL PROPERTY AND ASSESTS:** *(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.)*

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**Section 6**

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

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**Section 7**

**OTHER LIABILITIES:** *(Describe in detail)*

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**Section 8**

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

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**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.

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.

\_\_\_\_\_  
Signature Date Social Security Number

\_\_\_\_\_  
Signature (*Joint Applicant*) Date Social Security Number

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**KLDC Façade Loan Program - Additional Exhibit(s)**

Type of improvements being proposed:

\_\_\_\_\_ Restoration of Historical Elements    \_\_\_\_\_ Painting/Maintenance    \_\_\_\_\_ Windows/Shutters  
\_\_\_\_\_ Other

Briefly describe the improvements:

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Location:    \_\_\_\_\_ Historic District    \_\_\_\_\_ Heritage Area

Eligible properties include commercial buildings in the Historic District and Heritage Area. Approval from HLPC and/or HAC is required for exterior improvements and changes within the Historic District and/or Heritage Area.

HLPC Approval Date: \_\_\_\_\_ Date Application Received: \_\_\_\_\_

HAC Approval Date: \_\_\_\_\_ Date Application Received: \_\_\_\_\_

1. Photographs clearly showing the both before and completed improvements;
2. A brief statement describing any project elements that were not completed or any approved changes from the original plans;
3. If the project is in the Historic District or Heritage Area, written evidence of HLPC and/or HAC inspectional approval;
4. If a building permit is required, a copy of the approved final inspection issued by the Department of Building & Safety.