



OREGON

ENTREPRENEURIAL DEVELOPMENT LOAN FUND APPLICATION

PROGRAM DESCRIPTION

The Oregon Entrepreneurial Development Loan Fund (EDLF) was created by the 1991 Legislature. In general, the EDLF allows Business Oregon to make initial loans of up to \$50,000 to entrepreneurial businesses. An additional follow-on loan may be made up to a total, including the initial loan, not to exceed \$70,000. (A new application with justification is required for a second loan.)

The fund has the following criteria:

1. The applicant must be enrolled in or have completed a Small Business Development Center (SBDC) or other certified counseling entity program.
2. The applicant must prepare a business plan and have it reviewed by an SBDC or other certified counseling entity.
3. An expenditure plan must be prepared (included in this application).
4. Applicants must satisfy one of the following conditions:
 - The business has revenues of \$500,000 or less for the previous twelve months.
 - The business is owned by a severely disabled person.

Loans must have a reasonable prospect of repayment and borrowers must provide collateral, although not necessarily real property collateral. Applicants must provide a minimum of 20 percent equity in the project in the form of cash, property or business equity. The maximum term for a loan is five years. Refinancing of existing debt is ineligible.

APPLICATION PROCESS

Prospective borrowers from the fund complete an application and submit it to the department. Application materials must be complete, including all necessary attachments, a business plan reviewed by an SBDC and required signatures of the applicant. A complete application will help expedite loan processing time.

CONFIDENTIALITY STATEMENT

Information in financial statements submitted to the department is subject to public records law, ORS 192.410, 192.420, 192.496, 192.501, 192.502 and 192.505. Certain information in the department's possession may be made available for public inspection after an application for financial assistance is received. This information includes the names of the applicants, including principals; the amounts, types and general terms of financial assistance; description of project and business benefiting from financial assistance; number of jobs projected or saved in connection with the project; and the names of the financial institutions participating in the process.

Certain other records the department may keep confidential under certain circumstances. These include, but are not limited to: reports obtained in confidence from creditors, employers, customers, suppliers; financial statements, tax returns, business records, employment history and other personal data submitted by the applicant; formulas, plans, designs or related information which constitute trade secrets under ORS 192.502(2); customer lists; production, sales or cost data; and marketing strategic information.

If an applicant desires information to be kept confidential, the applicant should clearly identify what information or documents he/she wishes to be kept confidential.

Although the department will attempt to keep the information submitted confidential, it cannot guarantee confidentiality in all cases. The applicant may wish to consult with his/her own attorney or discuss applicable statutes with the department staff.

ADDITIONAL PROGRAM INFORMATION

Loan terms

The maximum loan term for an EDLF loan is five years. The actual term will be established based on the asset life of assets to be purchased and the repayment capability of the applicant. The interest rate will be set at two percentage points over the prime interest rate and will be fixed for the term of the loan.

Collateral standards

The Administrative Rules adopted by the department require that the applicant provide collateral for the EDLF loan. Tangible value in land, building or equipment must secure and EDLF loan. On real estate with current appraisals from a certified appraiser, the department will consider loans of up to 80 percent loan to value. Advance ratios on equipment are dependent on quality of recent appraisals, type of equipment being financed and recent transaction prices of similar equipment. Additional security may be required for loans, such as assets owned by applicants personally or other off-project assets. Personal guarantees will be required as a general rule.

Equity

An applicant must provide a minimum of 20 percent of the amount of the loan in equity. Equity can be cash, real or personal property controlled by the applicant and committed to use in the project for which a loan from the fund is being sought. Equity contributed to the project other than cash will be conservatively valued. Additional equity and/or cash will be viewed very positively as a cushion against unforeseen expenses.

Business plan

The applicant must prepare a business plan and have it reviewed by a Small Business Development Center or other certified entity. The SBDCs have adopted an acceptable format for the plan. Copies are available at any center.

The completed business plan must be reviewed by an SBDC or other certified entity director.

Enrollment in a counseling program

An applicant for the program must be enrolled in a counseling program offered by an SBDC or other certified entity. The department views the assistance of the SBDCs or other certified counseling entities as key to the success of the business and the program. It is expected that each borrower will continue to work with and seek advice from the SBDC or other certified entity.

OREGON EDLF APPLICATION FORM

A. Borrower Information

Business name	Telephone	Fax
Business address	City	Zip County
Business Identification Number <small>(issued by Oregon Dept. of Revenue)</small>	Number of employees	TIN
Type of ownership <input type="checkbox"/> Sole proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> S Corp. <input type="checkbox"/> LLC	Number of months in operation	Date
Business contact	Title	email

B. Company principals

(Proprietor, partners, officers, directors and all holders of outstanding stock.)

Name and title	Address			
Date of birth	Social security number			
Name and title	Address	% owned	Minority (Y or N)*	Woman (Y or N)*
Date of birth	Social security number			
Name and title	Address	% owned	Minority (Y or N)*	Woman (Y or N)*
Date of birth	Social security number			

*Disclosure of social security numbers is not mandatory. The department intends to use the number to obtain a credit report to comply with OAR 123-19-025. The Privacy Act of 1974 prohibits the state from denying a loan because a person refuses to give their social security number. Disclosure of information on minority or gender status is voluntary and will be used for statistical purposes only.

C. Purpose of loan/expenditure plan

Use of proceeds

Project Costs

Land acquisition	\$ _____
Building acquisition	\$ _____
Equipment acquisition	\$ _____
New construction	\$ _____
Renovation	\$ _____
Leasehold improvements	\$ _____
Working capital (specify) _____	\$ _____
Other (specify) _____	\$ _____
Total uses of proceeds*	\$ _____

D. Sources of financing

Please attach copies of commitment of each source of financing.

Name of lender	Purpose	Amount	Rate	Term
Entrepreneurial development loan	_____	\$ _____	P + 2	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
	Equity	\$ _____		
	(must be at least 20% of EDLF)			
	Total sources*	\$ _____		

***Total use of proceeds should equal total sources of financing**

Note: Initial EDLF loans may not exceed \$50,000. Follow-on loans of up to \$70,000 (including initial loan) may be considered; however, a new application and justification will be required.

E. Source of equity (provide source of valuation if not cash)

Provide a description of additional potential sources of financing/equity if unforeseen expenses occur.

F. Business Information

What product or service does your business offer?

What geographic area does your business serve?

How many new jobs will be created by this project?

What is the expected average wage?

Are all your business taxes current? Yes No If no, please explain.

Have you ever filed bankruptcy? Yes No If yes, when?

Please list your major customers:

Name	City	% of Sales
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Please list your major trade suppliers:

Name	City	% of Purchases
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

G. General Information

Your attorney's name

Address

Phone number

Your insurance company/agent

Address

Phone number

Your accountant's name

Address

Phone number

Your banker's name

Address

Phone number

H. Attachments

Please check if attached. Indicate N/A if not applicable.

Attachment A Eligibility Review*

Attachment B Personal Financial Statement*

Attachment C Personal Income Statement*

Attachment D Collateral and Appraisals*

Attachment E Debt Summary*

Attachment F Business Plan and SBDC or other certified entity review, including:

- Current financial documents including balance statement and income statement
- Projected monthly cash flow for the next two fiscal years
- Resumes for all owners and key personnel of the business

Attachment G Personal and Business Tax Returns for the last two fiscal years.

*included in this packet

ELIGIBILITY REVIEW

Applicant _____

Telephone _____

Address _____

Section A

To qualify for the EDLF, the applicant must meet one of the following criteria.

1. Has your business had \$500,000 or less in total revenue in the last 12 months? Yes No
2. Is at least 50% of your business or proposed business owned by a person(s) certified as being severely disabled by the Vocational Rehabilitation Division of the Department of Human Resources or the Commission for the Blind? Yes No

Name of individual(s) certified as severely disabled: _____

State the percentage of ownership in the applicant business: _____ %. Please attach a letter from your local state of Oregon Vocational Rehabilitation office or the Commission for the Blind certifying the individual(s) are severely disabled.

Section B

Each of the following questions must be answered for review of the EDLF application.

1. Is the applicant enrolled in a counseling program with a Small Business Development Center or other certified counseling entity?
 Yes No
Name the SBDC/certified counselor and a contact person _____
2. Has the applicant prepared a business plan? Yes No
3. Is the applicant effectively owned or controlled by another business entity or other person that, either by itself or when combined with the applicant, is not eligible for a loan under EDLF guidelines? Yes No

I certify that the information provided in connection with this application is to the best of my knowledge, true, accurate, complete and current. I agree that any material misrepresentation of fact is grounds for Business Oregon to deny or withdraw its loan commitment at any time or if funds have been disbursed, to declare the entire loan immediately due and payable. In addition, the undersigned requests that the Oregon Employment Department provide employment and wage information from the *Oregon Quarterly Tax Report* to Business Oregon for the purpose of program evaluation and performance measurement.

Applicant (or owner) Signature _____

Date _____

Attachment B

PERSONAL FINANCIAL STATEMENT

Name _____ Date _____

Home address _____

Information is on: individual jointly with person(s) and/or entity(s) who are: _____

The following information for the above-named individual(s) is dated as of _____

*Asset held or liability owed jointly (J) or individually (I).

	Assets	Amount	I/J*		Liabilities	Amount	I/J*	Mo. Pmts.	
Cash	Checking			Notes payable to banks	Notes payable to banks				
	Savings				Bank charge card				
	Certificates				Other				
	Other			Accounts & bills payable	Open or revolving accounts & bills payable				
			Alimony, child support, etc.						
			Other						
Stocks & bonds	Listed			Installment obligations	Purchase contracts & installment loans				
	Unlisted				Other				
Insurance & pensions	Cash value life ins.				Tax	Income tax owing			
	Profit share plan-vested			Property tax owing					
	Other			Other taxes owing					
Tax	Income tax-refund due			Other notes payable	Secured or unsecured				
	Other tax refund				Real estate loans	1. Payable to Security Terms			
Accounts, contracts receivable				Other liabilities		1. Payable to Security Terms			
	Real Estate	Real estate					Other assets	2. Payable to Security Terms	
Cars: Yr Make				Total assets		Total liabilities		\$	
Yr Make						Net worth difference between total assets & total liabilities		Total monthly payments	\$
Boat: Yr Make									
RV: Yr Make									
Personal property	Home furnishings								
	Equipment								
	Other								
Other assets	Investments in closely held business								
	Patents, royalties, etc.								
Total assets				Total liabilities		\$			
Net worth difference between total assets & total liabilities						Total monthly payments	\$		

PERSONAL INCOME STATEMENT

Name Date

Home address

Information is on: individual jointly with person(s) and/or entity(s) who are: _____

Income	Monthly	Annual
Current salary source	_____	_____
Current salary (spouse) source	_____	_____
Current business net income	_____	_____
Pension income	_____	_____
Alimony/child support (disclosure of this income is voluntary)	_____	_____
Other	_____	_____
Total income	_____	_____
Expenses		
House payment	_____	_____
Rent payment	_____	_____
Rental property	_____	_____
Credit cards	_____	_____
Auto payment	_____	_____
Auto insurance	_____	_____
Utilities	_____	_____
Other installment debt	_____	_____
Food/clothing	_____	_____
Medical/dental insurance	_____	_____
Medical/dental insurance	_____	_____
Alimony/child support	_____	_____
Other	_____	_____
Total expenses	_____	_____
Discretionary income (income minus expenses)	_____	_____

Date Signature(s)

SCHEDULE OF COLLATERAL

Applicant name _____

List all collateral to be used as security for this loan.

Attach a copy of the deed(s) containing a full legal description of the land and show the location (street address) and city where the deed(s) is recorded. Following the address below, give a brief description of the improvements, such as size, type of construction, use and present condition (use additional sheets if more space is required).

Real Estate					
Address	Yr Acquired	Original Cost	Market Value	Amount of Lien	Name and Address of Lienholder

All items listed herein must show manufacturer or make, model, year and serial number. Items with no serial number must be clearly identified (use additional sheets if more space is required).

Personal Property					
Description—show manufacturer model, serial number	Yr Acquired	Original Cost	Market Value	Current Lien Balance	Name Lienholder

CERTIFICATION

ENTREPRENEURIAL DEVELOPMENT LOAN FUND (EDLF)

The information contained in this application including all attachments is, to the best of the knowledge of the undersigned, complete, current and accurate and presents fairly the condition of the applicant and projects accurately its intended operations for the period set forth in this application.

I further certify that, except as described in this application, no litigation or legal proceeding is current, pending or threatened in any court or other tribunal of competent jurisdiction, state or federal, in any way contesting, questioning or affecting the eligibility of the applicant to apply for this financing, the ability of the applicant to complete the project or the validity or enforceability of any covenant or document executed by the applicant in connection with this application or any of the procedures for the approval, closing or repayment of the loan, nor are there any unasserted claims outstanding against the company or any of its principals.

In the opinion of the undersigned, this application contains all material information which is necessary for the department to act on the application. The undersigned also acknowledges, on behalf of the applicant, any of its principals and any related business organization, that the department is authorized to investigate the creditworthiness and business standing of the applicant, any of its principals or guarantors and any related business organization and further, to take action which the department deems necessary to evaluate and verify any statement or material submitted in connection with the application.

The applicant hereby assures and certifies that he/she will comply with all regulations, policies, guidelines and requirements as they relate to the EDLF. Also, the applicant assures and certifies to Business Oregon and the state of Oregon that the company and the project:

1. will comply with all applicable federal, state and local laws, statutes, rules, regulations and ordinances whereby no person in the United States shall on the grounds of age, sex, marital status, sexual orientation, race, color or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the EDLF by which the borrower received financial assistance and will immediately take any measures necessary to effectuate this agreement.
2. will assure that any building or facility financed in whole or in part by any funds provided under the EDLF will be designed, constructed or altered so as to assure ready access to and use of such building or facility by the physically handicapped in accordance with ORS 447.210 to 447.280. The provision applies only to firms which deal directly with the general public in the normal and usual course of their business, and to facilities in which business is customarily transacted by and with members of the general public.
3. will reveal the following information to Business Oregon and the state of Oregon: positions presently or previously held, if any, with the state of Oregon, a Small Business Development Center or other certified counseling entity; applicant's relationship to any individual currently employed by the state of Oregon, a Small Business Development Center or other certified counseling entity; or previous loans provided to the applicant or any of its principals by the state of Oregon. The information submitted by the borrower will be reviewed by Business Oregon and the Attorney General to determine whether there appears to be a conflict of interest of loan eligibility or a question of appearance of fairness and a determination of loan eligibility will be made accordingly.

I agree that the material misrepresentation of fact is grounds for Business Oregon to deny or withdraw its loan commitment at any time, or if funds have been disbursed, to declare the entire loan immediately due and payable and pursue any other legal option open to the department.

Applicant (print)

By (signature)