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City of Tuscaloosa

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# **COMMERCIAL REVOLVING LOAN PROGRAM**

Community Development Block Grant – Disaster Recovery

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## **APPLICATION**

Disaster Recovery Division  
Office of the Mayor

2201 University Boulevard, Tuscaloosa, Alabama, 35401 • (205) 248-5700 • [www.tuscaloosa.com](http://www.tuscaloosa.com)



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## Purpose

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The City of Tuscaloosa's Commercial Revolving Loan Program's purpose is to provide economic development assistance for businesses that create and/or retain low to moderate income jobs, to encourage business development and expansion, and to stimulate private investment in the recovery area.

## Eligibility

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Businesses must be located, relocating, or developing in the recovery area as defined by the Commercial Revolving Loan Program Eligibility Map (see map on page 18). Please contact the Community Development Program Manager if you have questions about location eligibility. Any funds loaned must be used for the business located within the recovery area and cannot be used for any other locations.

\*If your business is not in one of the proposed zones, you may submit a petition letter describing how your business supports recovery to Robin Edgeworth, Director of Recovery Operations at [redgeworth@tuscaloosa.com](mailto:redgeworth@tuscaloosa.com).

Please note: Nonprofit agencies, 501(c)(3) organizations, single-family and multifamily developments, and religious/civic institutions are not eligible.

## The Loan Process

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## Loan Amount, Terms, and Conditions

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The minimum loan amount is \$20,000 and the maximum loan amount is \$200,000.

All loans will require a monthly payment. Loan terms will not exceed five years; however, three years is strongly encouraged. Loans may be prepaid at any time without penalty.

The project must commence within 90 days of receiving the loan proceeds. Those receiving loans must be able to show that at least 51% or more of the job positions at the business are either known to be currently held by low to moderate income persons at the time the loan is received or are not currently held by low to moderate income persons but could be reasonably expected to transition to low to moderate income persons within two years.

The Commercial Revolving Loan Program Review Committee reserves the right to hold the applicant in default if the loan proceeds are not spent in accordance with the approved project description.

## Collateral and Guarantees

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Applicants will be required to provide 100% of collateral equal to the loan value. Collateral may be provided through business assets or personal assets. Collateral offered to secure the loan will be detailed on pages 10-11 of the loan application.

For all applicants using personal assets as collateral value, a personal guarantee by the borrower(s) as well as submission of personal financial statements to prove personal financial stability will be required. In addition, the Borrower(s) shall agree to subordinate all officer debt and defer monthly payments to all officers to the City's loan.

## Use of Loan Funds

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Loan funds may be used for the following:

- Land, building purchase and/or improvement
- Machinery and equipment purchase and/or installation
- Leasehold improvements
- Working capital
- Inventory purchase
- Refinancing of existing debt



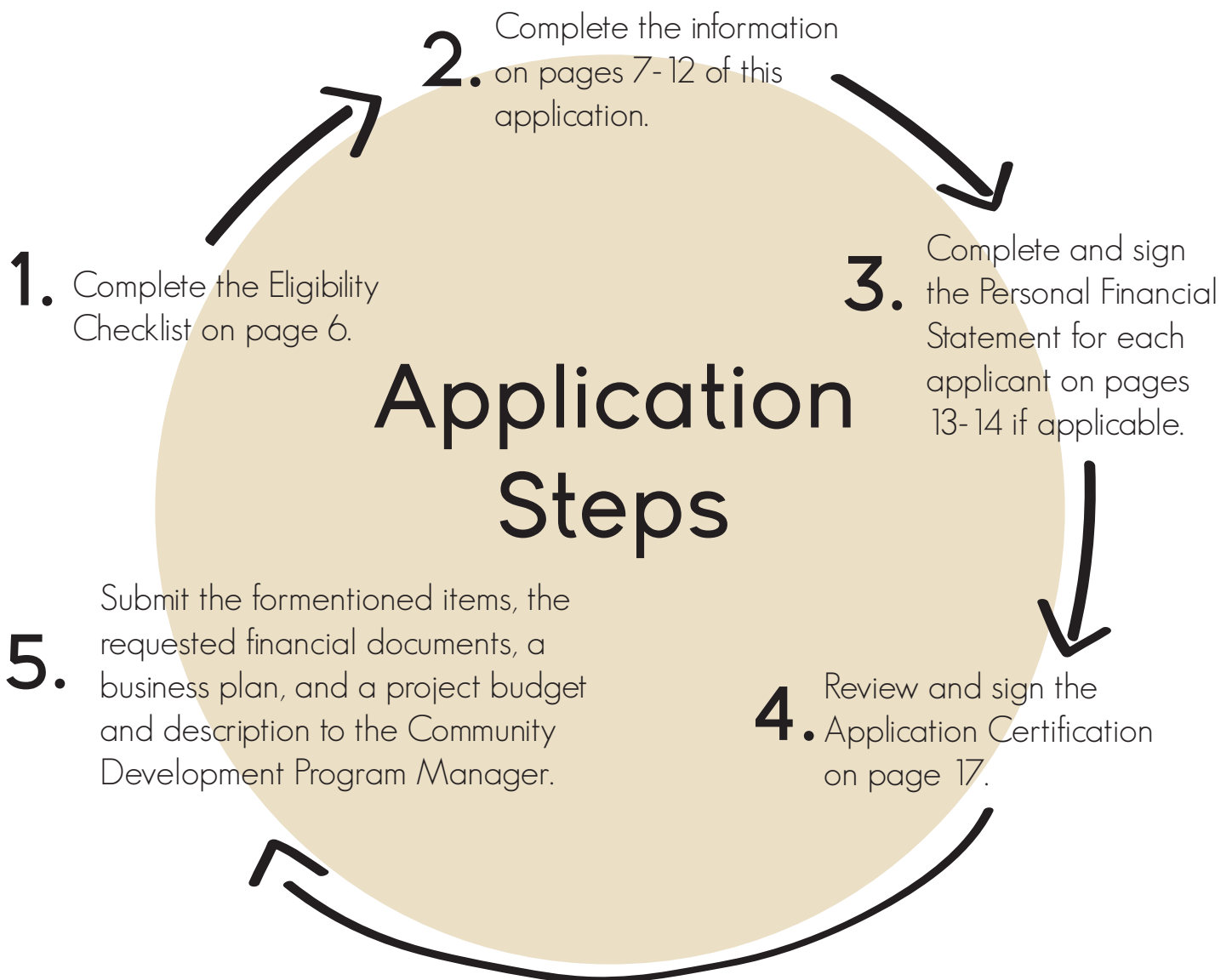
## Loan Application Evaluation

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The Commercial Revolving Loan Program Review Committee will evaluate all loan applications based on the following criteria: (1) ability to repay the loan, (2) neighborhood impact, (3) job creation and retention, and (4) ability to start the project within 90 days. Special consideration will be given to minority or women owned businesses, businesses that are new to the Tuscaloosa market, and businesses that provide a missing service or retail opportunity to a specific sector of the City.

## How to Apply

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Please make a copy of all items submitted for your records.



## Project Budget and Description

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Please supply a narrative that includes the following information:

- The dollar amount of the loan you are requesting
- A general description of how the loan funds will be used by your business
- Details of how the funds will be used and how they will enhance the activities of your business
- A proposed project completion schedule

If applicable, please include the following in your narrative:

- Cost estimates of any purchases planned with loan funds along with backup of estimates
- Any other financing secured through private financing or other public funding that will be used for your project
- A listing and copies of architectural renderings, building permits issued, lease agreements or mortgage information for business location

## Financial Documents

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The following financial documentation is required for loan consideration. Please submit copies and keep the original documents.

### Business Financial Information

**Business tax returns** - For an established business of three or more years, corporate federal and state income tax returns for the previous three years. For businesses established for one to two years, corporate federal and state income tax returns for the years of operation along with personal federal and state income tax returns for the remainder of the full three year picture.

**Business financial statements** - For an established business of three or more years, corporate audited or reviewed financial statements for the previous three years. For businesses established for one to two years, corporate audited or reviewed financial statements for the years of operation.

### Personal Financial Information

**Personal tax returns** - Federal and state income tax returns including all schedules for the members of the business that own more than 20% of the business equity are required for the years for which no business tax return is available to complete the three year picture as listed above.

**Personal financial statement** - If less than 100% of collateral from the business is offered to secure the loan requested or if the business has been in operation for less than three years, then please complete the Personal Financial Statement section of the application on pages 12-13.



## Business Plan

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*"A business plan is an essential roadmap for business success. This living, breathing document generally projects 3-5 years ahead and outlines the route a company intends to take to reach, maintain and grow revenues. A well thought out plan also helps you to step-back and think objectively about the key elements of your business venture and informs your decision-making." - SBA.gov*

Your business plan is a requirement for The City of Tuscaloosa's Commercial Revolving Loan Program. It can also be used to procure additional funding from sources such as banks and investors.

**All applications must include a typed business plan that contains the following items:**

**Business Description.** Your business description should include a company history, the current industry trends, customers and market potential, short and long-term goals, and future plans.

**Neighborhood Impact.** Will your business create or retain jobs? How many of those jobs will be low to moderate income level (80 percent of area median income)? How will your business improve the community? Give a description of how your business will contribute to the **City** in addition to answering the questions above.

**Product/Service Description.** Give a detailed description of your product or service, and please explain product lines, equipment, suppliers, materials, pricing, etc.

**Management and Business Operations.** Provide a description of your management structure and describe your existing or proposed location, workforce, hours of operation, and accounting methods.

**Current Financial Situation and Financing Proposal.** Provide a detailed snapshot of your current financial situation.

**Additional Information.** Please include a table of contents and a list of references for any external documents that are included. Feel free to include items such as menus, promotional items, or brochures that help explain your business.

## Resources

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- Small Business Administration (SBA)  
[www.sba.gov](http://www.sba.gov)
- SCORE  
[www.score.org](http://www.score.org)
- The Chamber of Commerce of West Alabama  
<http://tuscaloosachamber.com/>
- The Edge - Center for Entrepreneurship and Innovation  
800 2nd Avenue, Tuscaloosa, AL 35401



## Eligibility Certification

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1. Is your business currently located, locating, or developing in the recovery area as defined by the Eligibility Map on page 18? Yes  No
2. Does the requested loan amount fall between \$20,000 - \$200,000? Yes  No
3. Does your proposed use of loan funds meet the standards outlined on page 2 of this application? Yes  No
4. Does your proposal create or retain low to moderate income jobs? Yes  No
5. Will you be able to track and report all low to moderate income jobs created or retained if your loan is approved? Yes  No
6. Do you have collateral sufficient to meet the requirements outlined on page 2 on this application? Yes  No
7. Will you be able to compile and submit a business plan meeting the requirements on page 5 of this application? Yes  No
8. Are you willing to sign a personal guarantee if applicable? Yes  No
9. Are you willing to submit lease information, mortgage documents, or any other information needed by the Commercial Revolving Loan Program Review Committee to evaluate your application? Yes  No
10. If selected, will your project be able to start within sixty days as defined by the Commercial Revolving Loan Program Review Committee? Yes  No

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Signature

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Date





## Company Information

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Company Name: \_\_\_\_\_

Contact Person(s): \_\_\_\_\_ Phone: \_\_\_\_\_

\_\_\_\_\_ Phone: \_\_\_\_\_

Business Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Email: \_\_\_\_\_ Website: \_\_\_\_\_

Type of Business: \_\_\_\_\_

New Business: \_\_\_\_\_ (not yet opened)

Start-up: \_\_\_\_\_ (less than three years)

Existing: \_\_\_\_\_ (three years or more)

If a New Business, what is the estimated opening date? \_\_\_\_\_

Type of Business Entity:

Corporation Date of Incorporation \_\_\_\_\_

S Corporation

Limited Liability Company

C Corporation

Partnership

Sole Proprietor

Employer Identification Number: \_\_\_\_\_

Current Number of Employees: \_\_\_\_\_ Average salary or wage: \_\_\_\_\_

Number of employees to add immediately: \_\_\_\_\_

Number of employees to add within 1 year: \_\_\_\_\_

Projected number of employees in 1 year: \_\_\_\_\_

\*see appendix (pg. 18) for more info on jobs created/retained



## Company Information Continued

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Complete this section for any person who owns 20% or more of the business.  
Use additional sheets if necessary.

Name: \_\_\_\_\_

Home Address: \_\_\_\_\_  
\_\_\_\_\_

Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_

Mobile Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Position in Business: \_\_\_\_\_ Percentage of Ownership: \_\_\_\_\_

Name: \_\_\_\_\_

Home Address: \_\_\_\_\_  
\_\_\_\_\_

Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_

Mobile Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Position in Business: \_\_\_\_\_ Percentage of Ownership: \_\_\_\_\_

Name: \_\_\_\_\_

Home Address: \_\_\_\_\_  
\_\_\_\_\_

Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_

Mobile Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Position in Business: \_\_\_\_\_ Percentage of Ownership: \_\_\_\_\_



## Company Information Continued

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Please complete the following questionnaire.

1. Are you current on all business and personal taxes? Yes  No
2. Have you or any officers of your company ever filed bankruptcy?  
If yes, explain below. Yes  No
3. Have any personal or business bank accounts had checks returned NSF  
in the last three months? Yes  No
4. Do you owe any outstanding child support? If yes, explain below. Yes  No
5. Will your credit report show that you have been current with creditors  
for the past year? If no, explain below. Yes  No
6. Do you have any derogatory statements on your credit report?  
If yes, explain below. Yes  No
7. Are you, any guarantor, or your business involved in any pending or current lawsuits? Yes  No
8. Do you or any officers of your company have any outstanding police,  
public, or legal issues? Yes  No
9. In your opinion, does your business qualify as minority or woman owned? Yes  No

### Explanations

Please enter your explanations so that they correspond with the items above. Attach additional sheets if necessary.

Item #	Explanation
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____



## Loan Collateral

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Applicants will be required to provide 100% of collateral equal to the loan value. Collateral may be provided through business assets or personal assets. Collateral offered to secure the loan will be detailed on pages 10-11 of the loan application.

### Real Property

Street Address, City, State: \_\_\_\_\_  
\_\_\_\_\_

Street Address, City, State: \_\_\_\_\_  
\_\_\_\_\_

Street Address, City, State: \_\_\_\_\_  
\_\_\_\_\_

### Equipment

Name, model #, serial #, purchase price and date of purchase or attached paid invoices.

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

### Other

Describe in detail other items you are pledging as collateral. Please indicate value.

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



## Business Obligations

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The following is to review all other business obligations that your company has. Do not include any personal obligations in this section. Those should be listed on the Personal Financial Statement if applicable. Use additional sheets if necessary.

Creditor: \_\_\_\_\_ Original Date: \_\_\_\_\_

Original Amount: \_\_\_\_\_ Present Balance: \_\_\_\_\_

Interest Rate: \_\_\_\_\_ Monthly Payment: \_\_\_\_\_ Maturity Date: \_\_\_\_\_

Collateral, if any: \_\_\_\_\_ Status (C or D): \_\_\_\_\_

Creditor: \_\_\_\_\_ Original Date: \_\_\_\_\_

Original Amount: \_\_\_\_\_ Present Balance: \_\_\_\_\_

Interest Rate: \_\_\_\_\_ Monthly Payment: \_\_\_\_\_ Maturity Date: \_\_\_\_\_

Collateral, if any: \_\_\_\_\_ Status (C or D): \_\_\_\_\_

Creditor: \_\_\_\_\_ Original Date: \_\_\_\_\_

Original Amount: \_\_\_\_\_ Present Balance: \_\_\_\_\_

Interest Rate: \_\_\_\_\_ Monthly Payment: \_\_\_\_\_ Maturity Date: \_\_\_\_\_

Collateral, if any: \_\_\_\_\_ Status (C or D): \_\_\_\_\_

Creditor: \_\_\_\_\_ Original Date: \_\_\_\_\_

Original Amount: \_\_\_\_\_ Present Balance: \_\_\_\_\_

Interest Rate: \_\_\_\_\_ Monthly Payment: \_\_\_\_\_ Maturity Date: \_\_\_\_\_

Collateral, if any: \_\_\_\_\_ Status (C or D): \_\_\_\_\_



City of Tuscaloosa Commercial Revolving Loan Program  
PERSONAL FINANCIAL STATEMENT

As of \_\_\_\_\_

Complete this form only if: (1) project budget and description proposes securing the requested loan with collateral that is less than 100% of the value of the loan OR (2) your business has been in operation less than three years.

Complete this form for: each owner, general partner, limited partner and/or shareholder owning 20% or more of the equity in the business.

Name	Business Phone
Residence Address	Residence Phone
City, State, and Zip Code	
Name of Business	

ASSETS		(omit cents)	LIABILITIES		(omit cents)
Cash on Hand & in Banks	\$	_____	Accounts Payable	\$	_____
Savings Accounts	\$	_____	Notes Payable & Installment Accounts (Describe in Section 2)	\$	_____
Accounts & Notes Receivable (Describe in Section 6)	\$	_____	Mortgages on Real Estate (Describe in Section 4)	\$	_____
Life Insurance - Cash (Surrender Value only)	\$	_____	Loans on Life Insurance	\$	_____
Stocks and Bonds (Describe in Section 3)	\$	_____	Unpaid Taxes (Describe in Section 7)	\$	_____
Real Estate (Describe in Section 4)	\$	_____	Other Liabilities (Describe in Section 8)	\$	_____
Automobile(s) - Present Value (Describe in Section 5)	\$	_____	Total Liabilities	\$	_____
Other Personal Property (Describe in Section 5)	\$	_____	Net Worth (Total Assets Minus Total Liabilities)	\$	_____
Other Assets (Describe in Section 6)	\$	_____			
Total	\$	_____	Total	\$	_____

Section 1. Source of Income		(omit cents)	Contingent Liabilities		(omit cents)
Salary (per month)	\$	_____	As Endorser or Co-maker	\$	_____
Net Investment Income (per month)	\$	_____	Legal Claims & Judgements (pending)	\$	_____
Real Estate Income (per month)	\$	_____	Provision for Federal Income Tax	\$	_____
Other Income (Describe below)	\$	_____	Other Special Debt (Describe below)	\$	_____

Description of Items in Section 1.


Section 2. Notes Payable and Installment Accounts (Including Credit Cards)

Name of Creditor	Original Balance	Current Balance	Payment Amounts	Terms (Monthly, etc.)	How Secured or Collateral Type



Section 3. Stocks and Bonds					
Number of Shares	Name of Securities	Name of Exchange	Current Quotation	Date of Quotation	Market Value

Section 4. Real Estate Owned (List each parcel separately. If necessary, attach supplemental sheets with a signature and date.)						
Type of Property/ Address of Property	Title in Name of	Date Purchased	Original Cost	Current Value	Mortgage Balance	Payment Amount Current? (Y/N)

Section 5. Vehicles and Other Personal Property (Describe, and if any is pledged as security, address if lien holder, amount of lien)

Section 6. Other Assets (Describe in detail)

Section 7. Unpaid Taxes (Describe as to type, payable to whom, when due, amount, and if any liens have been filed)

Section 8. Other Liabilities (Describe in detail)

Section 9. Life Insurance Held (Give face amount and cash surrender value of policies, name of holding company and beneficiaries)

I/We hereby certify that all statements in this application are true and complete and are made for the purpose of obtaining credit. I/We authorize and request all persons listed and all credit reporting agencies to furnish the City of Tuscaloosa opinions and credit information on or affecting me for this application, and I/we authorize the City of Tuscaloosa to report opinions and credit information on or affecting me to all credit reporting agencies or other financial institutions, and I/we agree to hold the City of Tuscaloosa harmless from any claims, direct or indirect, that may result from receiving or reporting such information. I/We understand that FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).

Signature:	Date:	Social Security Number:
Signature:	Date:	Social Security Number:



## Proposed Business Location \_\_\_\_\_

Street Address, City, State: \_\_\_\_\_

\_\_\_\_\_

## Other Funding Sources \_\_\_\_\_

For all funding sources, please provide documentation.

### SBA (Small Business Administration)

Have you received disaster recovery assistance from the SBA? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, what is the amount of the loan? \_\_\_\_\_

If no: Did you decline a SBA loan? Yes \_\_\_\_\_ No \_\_\_\_\_

What was the amount of the loan? \_\_\_\_\_

Why was the loan not accepted? \_\_\_\_\_

### FEMA (Federal Emergency Management Agency)

Have you received disaster recovery assistance from FEMA? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, what is the amount of the funding? \_\_\_\_\_

If no: Did you decline FEMA funding? Yes \_\_\_\_\_ No \_\_\_\_\_

What was the amount of funding? \_\_\_\_\_

Why was funding not accepted? \_\_\_\_\_

### INSURANCE

Have you received disaster recovery assistance from insurance? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, what is the amount? \_\_\_\_\_

### OTHER

Have you received disaster recovery assistance from any other agency? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, explain agency and funding received: \_\_\_\_\_





## Job Creation/Retention

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Those receiving loans must be able to show that at least 51% or more of the job positions at the business are either known to be currently held by low to moderate income persons at the time the loan is received OR are not currently held by low to moderate income persons but could be reasonable expected to reach this percentage within one year.

\*A classification of low to moderate income standards for Tuscaloosa County can be found on the City of Tuscaloosa's website at <http://www.tuscaloosa.com/Assets/Recovery-Operations/2013%20HUD%20Income%20Limits.pdf>.

### Jobs currently retained

Postition	Hours/Week	Hourly Wage/Salary

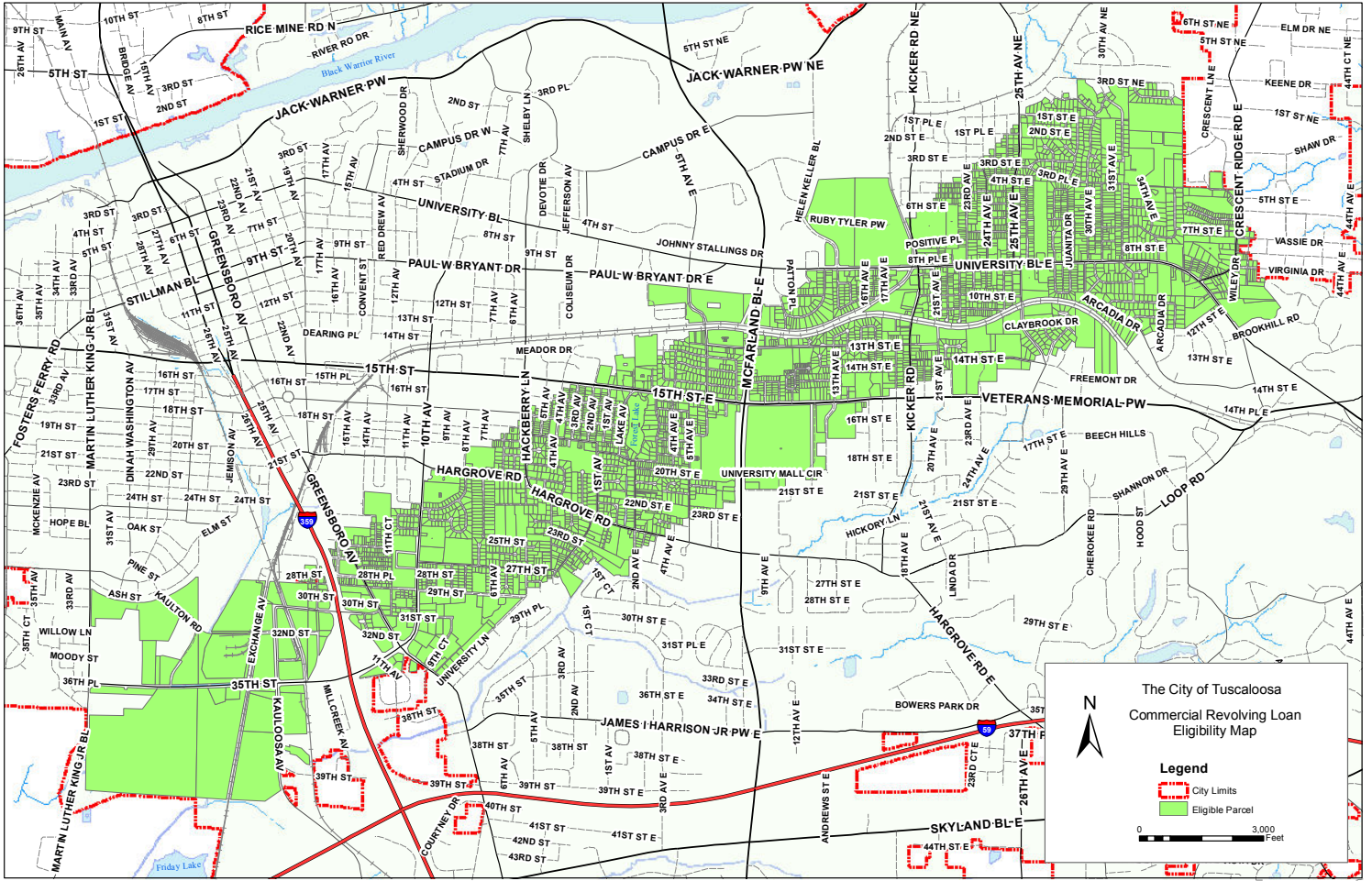
### Jobs to be created

Postition	Hours/Week	Hourly Wage/Salary





# Commercial Revolving Loan Program Eligibility Map



Please contact Caramyl Drake at (205) 248-5700 if you have questions regarding location eligibility.