

LOAN APPLICATION CHECKLIST

Thank you for your interest in Craft3. In order to consider your interest in a loan we need you to provide us with the following information. **List N/A where not applicable.**

_____ **Loan Application form.** Please provide some basic information about your business and about the loan funds you are requesting on the enclosed form.

_____ **History of the Organization.** Please provide an explanation of your business and its history.

_____ **Management and Board resume(s).** Please provide resumes on all company principals.

_____ **Minutes.** Please provide a copy of meeting minutes from the Board of Directors authorizing your business to borrow funds from Craft3.

_____ **Three years of borrower's *signed* Form 990.**

_____ **Debt schedule.**

_____ **Applicant's business financial statements for past three years.** Please provide copies of your business' income statements and balance sheets for the prior three fiscal years and an interim financial statement current within 90 days of the application.

_____ **Borrower's aging of accounts receivable and accounts payable.** These should be current as the date of the interim financial statements.

_____ **12 month cash flow and two year income expense projection.** You may use the enclosed form or provide a computer spreadsheet.

_____ **Articles of Incorporation and Bylaws.** (If business is a nonprofit) Please provide a *signed* copy.

_____ **Business License.** Please provide a copy of the company's city business license.

_____ **Constitution and Bylaws.** (If Tribal entity) Please provide a copy.

LOAN APPLICATION CHECKLIST (continued)

IF APPLICABLE, PLEASE PROVIDE THE FOLLOWING ADDITIONAL INFORMATION:

- _____ **Itemization of Machinery and Equipment.** Please list the names, model numbers, serial numbers and estimated costs of equipment you plan to purchase with loan proceeds.
- _____ **Lease.** Please provide a *signed* copy of lease, including any amendments or modifications. If you do not yet have a lease, term agreement is adequate.
- _____ **Purchase and Sale Agreement.** Please attach a *signed* copy of the purchase agreement or letter of intent and all available exhibits.
- _____ **Real property collateral information.** For the real estate to be provided as collateral in the transaction please provide Tax Assessment I.D. number, legal description, and most recent appraisal of property. (If appraisal is not available or property value has changed since last appraisal has occurred, a new one may be required.)
- _____ **Seller's business financial statements.** Please provide copies of the seller's business income statements, balance sheets, corporate income tax returns and aging of accounts receivable and accounts payable for the prior three fiscal years and an interim financial statement current within 90 days of the application.
- _____ **Construction contract.** Please provide a *signed* copy.
- _____ **Plans and specifications.** Please provide a copy.

Please note: A copy of business and liability insurance will be required. Additionally, Lender may request Borrower to provide a collateral assignment of life insurance policy; please discuss the assignment with your agent or begin the process of applying for insurance if you do not currently have a policy in place.

Once Craft3 receives all of the above requested items, we can complete our analysis of your business.

This is not a letter of intent or a letter of commitment. This check list is only a tool to assist you in collecting information for your Craft3 loan application. This letter does not commit or obligate Craft3 in any way to provide a loan.

Please call if you have any questions. We look forward to working with you.

Primary Mailing Address:

Craft3
PO Box 826
203 Howerton Way, SE
Ilwaco, WA 98624

888-231-2170 tel
360-455-4879 fax



Lending to people, Investing for resilience

Craft3 Nonprofit Loan Application

If Craft3 takes adverse action on your application for credit, you have the right to a statement of specific reasons as to why we took such adverse action within 60 days of your request. You may contact Joan Broughton, Lending Team Manager, at Craft3 to obtain the statement of reasons: jbroughton@craft3.org, 888-231-2170, Ext. 116. The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580 administers Craft3's compliance with the Equal Credit Opportunity Act.

SECTION 1 - COMPANY INFORMATION

If you require assistance in completing this application please contact us. 888-231-2170 tel 360-455-4879 fax
Date: _____

Company Name: _____

Contact Person(s): _____

Address: _____ City: _____ State: _____ Zip: _____
(Physical Address of Business Required)

Mailing Address: _____ City: _____ State: _____ Zip: _____
(If different from above)

Phone: _____ Fax: _____ Cell Phone: _____

Email: _____ Website URL: _____

Type of Business: _____ Date Established: _____

Type of Entity (check one):

Tribal Treaty Income (Partially/Solely)

Other (explain):

Nonprofit Corporation

Employer ID#: _____

Company President: _____ Company Secretary: _____

Bank of Account: _____ Branch: _____

Account Officer: _____ Telephone: _____

SECTION 2 – PROJECT INFORMATION

Physical Address of Project: _____

City: _____ State: _____ Zip: _____

Proposed Financing is for a(n):

Existing Business

Conservation Activities

New Business

Other, Please Explain:

Purchase of Existing Business

Nonprofit Activities

Will facilities be leased? Yes No Length of lease term: _____

If leased, Name and contact information of Landlord (if Tribe list BIA Agency, Tribe and/or individual allottee):

Landlord phone: _____ Landlord fax: _____

Does the project include new construction? Yes No Square footage of facility: _____

Date of construction commencement: _____ Date of construction completion: _____

SECTION 3 – SOURCES AND USES

Dollar amount being requested in this application: \$ _____ Total project Cost: \$ _____

Sources of funding (provide \$ amount): \$ _____ Craft3

\$ _____ Owner Equity Contribution

\$ _____ Bank (Name _____)

\$ _____ Other, explain _____

\$ _____ **TOTAL**

Note: The above Sources "Total" must match the Uses "Total" below.

Use of proceeds: \$ _____ Machinery and Equipment (provide itemization including price)

\$ _____ Inventory/Materials

\$ _____ Land Acquisition

\$ _____ Land Improvements

\$ _____ Purchase and/or Remodel of Building

\$ _____ New Construction (see P in Section 6)

\$ _____ Other, explain _____

\$ _____ **TOTAL**

SECTION 4 – SUMMARY OF COLLATERAL

What type of Collateral is available? Give collateral valuations and source (*List below*)

1. _____
2. _____
3. _____
4. _____
5. _____

Is the collateral within tribal reservation boundaries? Yes No

If yes, who can provide us with up to date information on any commercial code and court system?

Is the Collateral on trust land? Yes No

If yes, please complete Real Property section at beginning of this application.

SECTION 5 – JOBS

A **Full-Time job** is defined as an employee who works at least a 35 hour work week

A **Part-Time/Seasonal job** is defined as an employee who works less than 35 hours a work week or is hired for seasonal work only)

Number of existing jobs:

Full Time #: _____

Part Time/Seasonal #: _____

Number of existing jobs to be retained as direct result of loan dollars:

Full-time # _____

Part-Time/Seasonal # _____

Number of existing jobs to be retained as direct result of loan dollars that pay \$40,000/year (\$19.25/hour) or more:

Full-time # _____

Part-Time/Seasonal # _____

Number of new jobs to be created within the next twelve (12) months as the direct result of this loan:

Full-time # _____

Part-Time/Seasonal # _____

Number of new jobs to be created within the next twelve (12) months as the direct result of this loan that pay \$40,000/year (\$19.25/hour) or more:

Full-time # _____

Part-Time/Seasonal # _____

SECTION 6 – APPLICANT INFORMATION

Please answer the following. Provide the appropriate information, if applicable, as a corresponding attachment. **(To be completed by all applicants)** Answering yes does not automatically disqualify you from receiving a loan but will be a factor in our credit decision and specific program eligibility determinations.

- A. Does the organization or do the principal owners, key employees, officers or directors operate or control any closely related affiliates, subsidiaries or branches? If yes, please provide their names and their relationship with the company along with a current balance sheet for each as an attachment.
 Yes No N/A: If not applicable, initial here. _____
- B. Are principal owners with 20% or greater ownership employed outside of the business? If yes, please provide details. Attach additional sheets as necessary.
 Yes No N/A: If not applicable, initial here. _____
- C. Is this business a franchise? If so, include a copy of the Franchise Agreement and the Franchisor's FTC Disclosure Statement.
 Yes No N/A: If not applicable, initial here. _____
- D. In the past 12 months, has the primary borrower been rejected by a bank, credit union, or other financing facility for a similar loan request?
 Yes No N/A: If not applicable, initial here. _____
- E. Provide information of previous or pending government financing (including SBA) by any principals or affiliates. Attach additional sheets as necessary. If not applicable, initial here. _____
- | | |
|--------------------------|-----------------------------|
| Name of Agency _____ | Approved or Declined? _____ |
| Original \$ Amount _____ | Outstanding Balance _____ |
| Date of Request _____ | Status _____ |
- F. Have any of the businesses owners ever been involved in a bankruptcy or insolvency proceedings? If so, please provide details in an attached statement.
 Yes No N/A: If not applicable, initial here. _____
- G. Are any of the principal business owners more than 60 (sixty) days delinquent on child support under an agreement or court order?
 Yes No
- H. Are any of the business owners, officers, directors, managers or other associates a non-US citizen or permanent resident or an undocumented (illegal) alien? If so, please provide details.
 Yes No
- I. Is there any pending or threatened litigation, administrative proceedings, or investigation involving the business, its owners, officers, directors or managers acting in their official capacity, or a guarantor, that if adversely decided would affect the business? If so, please provide details.
 Yes No N/A: If not applicable, initial here. _____
- J. Are any of the business owners, officers, directors, managers or guarantors delinquent on Federal debt? If so, please provide details.
 Yes No

SECTION 6 – APPLICANT INFORMATION (continued)

- K. Are any of the business owners, officers, directors, managers or guarantors delinquent on Federal debt? If so, please provide details.
 Yes No
- L. Have any of the business owners, officers, directors, managers or associates ever been incarcerated, on probation or parole, or indicted for a felony? If so, please provide details.
 Yes No
- M. Have any of the principal business owners ever been convicted of a sex offense against a minor?
 Yes No
- N. Does the business engage in any of the following activities?
- Gambling Enterprises
 - Illegal Activities
 - Lending, Investing, or Insurance
 - Pyramid Sales
 - Speculative Activities
 - Lobbying or political activities as a primary function of the business
 - Sale of products, services, presentation or displays of prurient sexual nature
- Yes No If yes, please identify and provide details: _____
- O. If project involves construction (new or remodel) provide specifications and contractors estimates.
 Yes No N/A: If not applicable, initial here. _____
- P. If services are available or applicable, would the business owner(s) request any Development Services, Technical or Financial Counseling?
 Yes No
- Q. Do you consider yourself a person with a disability?
 Yes No
- R. Veteran Status:
 Non-Veteran Veteran Service-Disabled Veteran
- S. How did you hear about us?
 Presentation Other Lender Other Professional Other Borrower
 Trade/Business Group Civic Group Other _____

SECTION 6 – APPLICANT INFORMATION (continued)

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

Please provide information on race, color and national origin of company owners (more than 50% owned or controlled) if ownership includes persons other than “white, non-Hispanic” including persons having origins in any of the original peoples of Europe, North Africa, or the Middle East OR black, not of Hispanic origin OR persons having origins in any of the black racial groups of Africa OR American Indian or Alaskan Native OR persons having origins in any of the original peoples of North America, and who maintains cultural identification through tribal affiliation or community recognition OR Hispanic OR persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race OR Asian or Pacific Islanders OR persons having origins in any of the original peoples of the Far East, Southeast Asian, the Indian Subcontinent or the Pacific Islands including China, Japan, Korea, the Philippine Islands and Samoa.

- | | |
|--|---|
| <input type="checkbox"/> American Indian Tribe _____ | <input type="checkbox"/> Other Pacific Islander |
| <input type="checkbox"/> White | <input type="checkbox"/> Alaska Native |
| <input type="checkbox"/> Asian | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> African American | |

Are you of Hispanic/Latino origin? Yes No

SECTION 7 – CERTIFICATION

- A. The borrower agrees to comply with Federal and State laws which prohibit discrimination based on race, color, sex, culture, social origin, sexual orientation, condition, or political or religious ideas.
- B. If the loan is approved, Craft3 may use photographs of facilities in its Annual Report, slide presentation, or other publications.
- C. As a condition of considering the application, Craft3 and its agents are granted the right to inspect business facilities.
- D. The application and attachments hereto, are submitted for the purpose of inducing Craft3 to provide financing or to participate in a loan by a bank or other lending institution to the undersigned Borrower (or business representative). Borrower certifies that the proceeds of any loan granted under this application shall be used solely for business purposes in the manner indicated.
- E. The Borrower understands and agrees that they may be recipients of CDFI Funds as well as other public or private funders and Craft3 may share business related personal or financial information with the CDFI Fund for program regulation purposes.
- F. Craft3 is conservation economic development organization dedicated to resource use reduction measures that are cost effective for both our customers and us. In an effort to reduce paper usage and postal costs, Craft3 utilizes technology for electronic communication. By signing below, you agree to receive standard communications in this manner. Craft3 will be emailing all standard communication to those clients who have e-mail unless you proved a valid reason for not receiving communications in this fashion.

SECTION 7 – CERTIFICATION (continued)

- G. Applicant authorizes Craft3 to make inquiries as necessary to verify the accuracy of the statements made and to determine applicants creditworthiness (i.e. pull a credit report). The statements made herein are made for the purpose of either obtaining a loan or guaranteeing a loan. I/We understand false statements may result in forfeiture of benefits and possible prosecution by the U.S. attorney General (Referenced 18 USC 1001).
- H. All information in this application and the attached exhibits is true and complete to the best of my/our knowledge and is submitted so Craft3 can decide whether to extend financing to the business. *The Borrower agrees to pay for the cost of any surveys, title or mortgage examinations, appraisals, UCC Searches, etc., performed whether or not this loan is actually disbursed.*

This is an Equal Opportunity Program. Discrimination is prohibited by Federal law. Complaints of discrimination may be filed with the Administrator, Rural Development, USDA, Washington, DC 20250-0706.

If Applicant is a sole proprietor or general partner, sign below:

Signature: _____ Date: _____

If Applicant is a corporation, sign below:

Corporate Name: _____

Signature: _____ Date: _____

Title: _____

Attested By: _____ Title: _____

Signature: _____

CRAFT3 PRIVACY POLICY

As a client or borrower of Craft3 your personal and company information is held in strict confidence. Craft3 limits access to borrower and client records to its own employees who manage the credits or accounts, those performing regulatory/oversight functions, and subcontractors who have signed confidentiality agreements. We will not publicly disclose information without your permission.

Craft3 is sensitive about the confidentiality of clients' information and uses a firewall and network security policies to make sure there is no unauthorized access to electronic files. Working papers and other sensitive documents that are not kept in secure files are shredded.

Please contact **Craft3 Corporate Secretary, Crystal Green**, if you ever have concerns about privacy issues.

cgreen@craft3.org

888-231-2170 ext. 104

360-456-1031 Confidential Fax

MANAGEMENT RESUME

(Additional forms available upon request)

Please fill in all spaces, and include full first, middle, maiden, and last names - no initials. If an item is not applicable, please indicate so. You may include additional relevant information on a separate exhibit. Sign and date where indicated.

Name _____ SS# _____
First Middle Maiden Last

Date of Birth _____ Place of Birth _____

Residence phone _____ Business phone _____

Residence Address _____
Street City State Zip

Previous Address _____
Street City State Zip

Lived at previous address from _____ to _____

Spouse's Name _____ SS# _____
First Middle Maiden Last

EDUCATION - College or technical training

Name and Location, Degree or certificate awarded	Dates attended	Major/Field of study
_____	_____/_____/_____	_____
_____	_____/_____/_____	_____
_____	_____/_____/_____	_____

MILITARY SERVICE BACKGROUND

Branch _____ From _____ to _____ Honorable Discharge? _____
 Rank at discharge _____ Major assignment or accomplishment _____

WORK EXPERIENCE (List chronologically, beginning with present employment)

Company Name/Location _____

From _____ to _____ Title _____

Duties _____

Company Name/Location _____

From _____ to _____ Title _____

Duties _____

Company Name/Location _____

From _____ to _____ Title _____

Duties _____

Company Name/Location _____

From _____ to _____ Title _____

Duties _____

Signature _____ Date _____



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DEBT SCHEDULE

Schedule of debt for _____					Date _____			
Lender/Creditor	Loan Type <small>(Loan/Line/Other)</small>	Original Note Date	Maturity Date	Original Loan Amount	Current Balance	Payment per month	Interest Rate	Other

ENVIRONMENTAL ASSESSMENT

Date _____

Name of Borrower _____

Project Address _____
Street City State Zip

If Real Estate is being financed or held as additional collateral for your loan; Craft3 requires that an Environmental Assessment be completed. Please answer to the best of your knowledge and describe where applicable any of the following questions that may affect land uses or environmental resources located within or adjacent to the project site(s). If necessary, please provide additional details in a separate attachment if space below is not sufficient.

1. Have prior environmental audits been conducted?
2. If yes, are reports available to Craft3? If no, why not?
3. If yes, was any corrective action recommended or taken? Describe:
4. If an audit was conducted, has there been any subsequent change in the use of the site or neighboring sites since the audit was conducted? If yes, what was the change?
5. What is/was the current and projected use of the site?
6. What different uses were previously involved?
7. Do any of these uses involve chemicals, hydrocarbons or other toxic substances or wastes? If yes, what substances are involved?
8. Are any facilities under your ownership, lease, or supervision to be utilized in the accomplishment of this project, either listed or under consideration for listing on the Environmental Protection Agency's list of violating facilities?
9. Does the property contain any areas where regulated hazardous substances or petroleum products appear to have been released? If yes, describe:
10. Are there any tanks on the site, under or above ground? If yes, describe:

ENVIRONMENTAL ASSESSMENT (continued)

11. If yes to question 8, what is or was stored in them and what is their condition?
12. What is the site's source of water?
13. Is your business facility connected to a municipal wastewater system or septic tank?
14. Are there any streams or bodies of water on the site? If yes, describe:
15. Are there any disposal areas on the site? If yes, describe:
16. What are neighboring sites used for?
17. Is there any reason to believe that the building has asbestos? If yes, describe:

Assessment Completed by:

Borrower Signature _____ **Title** _____

CRAFT3 USE ONLY

This portion of the assessment is to be completed by Craft3 staff; include any additional comments below.

Audit Review Conducted by: _____ **Date of Review:** _____

Craft3 Lender

Additional Comments:

CRAFT3 SCHEDULE OF COMMERCIAL LENDING FEES

EFFECTIVE JANUARY 2015

Assumption Agreement: \$500.00
Change In Terms: \$500.00 or 0.25% of outstanding principal balance, whichever is greater
Credit Report: \$45.00 per name, Personal or Business
Criminal Background Search: \$35.00 per name, Personal or Business
D&B Business Report: \$45.00
Duplicate Tax/Interest Statements: \$75.00
Fast Track Loan Program (Loans less than \$100,000 that meet specific criteria of Craft3): <ul style="list-style-type: none"> • Commitment fee 3.00%; this applies to all borrowers approved under the Craft3 Fast Track Loan Program guidelines • Closing cost: \$450.00 (Title transfer fees, Deed of Trust recording fees, title insurance and property tax monitoring fees not included) • Change in Terms fee of \$200.00 or .25% of outstanding principal balance, whichever is greater
First Research Industry Analysis Report: \$150.00
Flood Certification Report: \$25.00 for each property evaluated
Industry Research Report: \$15.00
Late Charge: Greater of \$50.00 or 5% of loan payment due
Letter of Credit Draw Fee: \$350.00
Loan Documents: \$350.00
Non Compliance Fee: .005% (half a percent) of the outstanding balance of the loan or \$25.00, whichever is greater.
Origination Fee <ul style="list-style-type: none"> • For Profit 2.00% • Non-Profit 1.50%
Land Conservation Fund Origination Fees <ul style="list-style-type: none"> • Private Landowners 2.00% • Non-profits and municipalities 1.00%
Overnight Delivery: \$30.00
Property Tax Monitor Service Fee: \$75.00 per parcel
Reconveyance of Deed of Trust: \$180.00
Release Fee (Partial Reconveyance without surrender of Note): \$250.00
SBA Packaging Fee (for borrowers approved under the SBA 7(a) Guaranty Program): \$2,500.00
Seattle Small Business Energy Efficiency Loans <ul style="list-style-type: none"> • Closing cost: \$450.00
Stop Payment (stop ACH pull): \$25.00 if request received up to 4 business days of scheduled ACH pull; \$50.00 if request received 3 business days or less prior to scheduled ACH pull.
Title Insurance: Actual costs charged if loan is closed through Title Company.
UCC Financing Statement: <ul style="list-style-type: none"> • Original Filing: \$35.00 • UCC Search: \$40.00 (searches outside of WA State may cost more) • UCC Termination: \$40.00
Underwriting Platform Fee: \$150.00
Wire Transfer Fee: \$50.00

LOAN QUICK REFERENCE SHEET

Loan Application: Once all parts of the loan application have been submitted and are confirmed complete, the review process, including any necessary loan committee meeting, takes 4-6 weeks, depending on when the documents are submitted.

Loan Fees:

- Fees vary depending on the loan; please refer to the Fee Schedule included in the loan application package.
- Standard loan fees typically include: 1% - 3% loan fee, depending on loan type or entity structure, loan document fee, UCC search and filing fee, credit report fee, and underwriting platform fee.
- Loan fees are collected prior to disbursing loan funds, and can be deducted from the loan or paid separately.

Use of Loan Funds: The specific use of loan proceeds is part of the loan approval process and will be verified by lender. Any changes in the use of loan funds, other than the originally approved uses, require pre-approval.

Request for Information: Craft3 is non-profit community development financial institution that relies on donations, grants, and loans from financial, corporate, philanthropic, and religious institutions, along with government agencies, that require us to collect and report on the economic indicators of our borrowers. Client feedback on job impacts and other measured outcomes is solicited at loan closing and annually during the life of the loan.

Legal Documents:

- Loan amount, interest rate, and term may vary based upon purpose, debt service capacity and perceived level of risk.
- Once the loan is approved and legal documents signed, the Borrower will receive signed copies of all documents executed.

Loan Disbursements: Loan funds are disbursed to a third party (vendor, seller, etc.) or to the Borrower and may be based on documentation (invoice, bill of sale, receipt, purchase order, etc.). Disbursements may take up to three business days to complete.

Payments: Payments are made by electronic transfer from the account you designate as scheduled on the payment date specified in the Promissory Note. Returned payments are subject to a \$75.00 NSF (non-sufficient funds) fee.

Important Dates:

- Loan Fees Due - Loan fees and costs will be discussed by the Lender and the Borrower during underwriting and the Borrower will be fully informed about how fees will be handled when the loan is approved.
- Payments Begin - This varies for each loan; the Promissory Note provides this detail.
- Payments End - This varies depending on the terms of the loan.
- Financial Statements - This varies for each loan and may be monthly or quarterly (each due 45 days following month end), or annually (due 60 days following fiscal year end). Financial Statements may also be required to be provided intermittently upon Lender request.
- Personal Financial Statements - Due 60 days following calendar year end.
- Tax Returns - Due 60 days following the applicable filing date. If filing is extended, please provide a copy of the extension document as soon as it is available.