

HERKIMER COUNTY SMALL BUSINESS REVOLVING LOAN FUND

Establishment of Revolving Loan Fund

Herkimer County has established a Small Business Loan/Grant Revolving Loan Fund to provide low-interest loan and grant funding for projects that expand and/or retain employment opportunities for businesses with less than ten employees. The Fund was established through a grant to Herkimer County from Assemblyman Marc Butler and Senator James Seward.

Administration of the Revolving Loan Fund

Through the County of Herkimer, the Herkimer County Industrial Development Agency (HCIDA) administers the Revolving Loan Fund and is responsible for the day-to-day administrative tasks associated with the project administration. The HCIDA is a public benefit corporation managed by a 7-member Board appointed by the Herkimer County Legislature.

As funds become available in sufficient quantity for relending, the Chief Executive Officer will review any and all project proposals for consideration. Upon receipt of required documentation from applicants, the loan committee will review and make their recommendation to the Board of Directors at which time they will review and ultimately give approval if they so desire to those projects most advantageous to Herkimer County, given the purpose of the Small Business Revolving Loan Fund. Final approval required by Empire State Development Corporation.

Purpose of Revolving Loan Fund

RLF program funds can be used for various activities, provided the following program objectives are addressed:

1. Creation of new employment opportunities, or retention of existing employment opportunities.
2. Leveraging of private funds.
3. Increasing the taxable value of real property.

Guidelines Applicable to Small Business Revolving Loan Fund

The guidelines for the Small Business Revolving Loan Fund are as follows:

1. For profit small businesses of ten employees or less in retail, commercial, small manufacturing and agriculture are eligible.
2. All applicants will need a formal business address in Herkimer County, with the exception of farmers who must reside in Herkimer County. Only businesses that have been in operation for a year or more will be considered.
3. All applicants are required to have a physical presence within Herkimer County.
4. Any business owner operating under a lease must provide an active lease agreement at the time of application, and throughout the duration of the loan period should the lease expire during the term of the loan agreement.
5. Borrower equity participation of at least one-third of amount requested is required.
6. Funding for the non-RLF portion of the project can be in the form of bank financing, equity, and/or public financing, other than the requested loan and grant portion.
7. Complete documentation of other funds will be required prior to the loan award.
8. Failure to provide the required documentation within 45 days of the date on the formal approval letter will result in withdrawal of approval for your loan and grant funding.
9. All out-of-pocket costs shall be paid for by the applicant.
10. Co-equal collateralization position accepted, subordinated position negotiable. Personal guarantees will also be required.
11. All information as outlined in the application must be provided prior to loan processing. Additional information may be requested by HCIDA.
12. Eligible use of funds is limited to capital expenditures. Grants and loans are disbursed on a re-imbusement basis; therefore, proof of expenditures is required prior to release of funds.
13. No loan funds may be disbursed without execution of a contract between the applicant and the HCIDA.
14. The term and interest rate of each loan will be a maximum of twenty-four (24) months at two percent (2%) interest.
15. A loan will be considered delinquent if loan repayments have not been received for a period of two (2) consecutive months. Interest rate on a delinquent account will increase to five percent (5%) upon notification to borrower.
16. A loan will be considered to be in default if no repayments have been received for a period of three consecutive months upon notification to borrower.
17. In the event of default, grant funds will also be subject to repayment.
18. Loan amounts are for a maximum of \$2,000; grants are for a maximum of \$2,000, with \$2,000 owner cash equity required.

Revised January 2022

APPLICATION

HERKIMER COUNTY
SMALL BUSINESS REVOLVING LOAN FUND
ECONOMIC DEVELOPMENT PROJECT APPLICATION

A. General Information:

1. Name of Business: _____

Name & Title of Applicant: _____

Address of Business: _____

Address of Owner/Applicant: _____

Telephone No.: _____

Email Address: _____

2. Total Project Cost: _____

Other Financing Outside of this Request: _____

Total Loan/Grant Amount Requested (max \$4,000): _____

One-Third Each:

-Loan (max \$2,000): _____

-Grant (max \$2,000): _____

-Owner Cash Equity Investment: _____

3. Please provide a brief description of the project:
*Please attach supporting documentation of project costs
*Business Plan Required

B. Applicant's Business Organization:

Corporation _____ Partnership _____ Sole Proprietorship _____
Date Applicant Firm Established _____ IRS ID# _____
Legal Counsel (name & number): _____
Accountant (name & number): _____
Is the applicant a subsidiary or direct or indirect affiliate of any other
organization? Yes _____ No _____

If yes, indicate name, address of related organization, and its relationship.

C. Officers and Owners of the Applicant - (list):

| <u>Name</u> | <u>Home Address</u> | <u>Office Held</u> | <u>% of Ownership</u> |
|-------------|---------------------|--------------------|-----------------------|
|-------------|---------------------|--------------------|-----------------------|

1. _____
2. _____

Attach resumes of principals actively engaged in management.

D. Applicant History:

1. Narrative history of the business, including significant developments in operations and financial condition (attach additional pages, if necessary):

2. How many employees are currently on payroll? _____

3. Has applicant, partners or sole proprietor ever declared bankruptcy?

Yes _____ No _____

If yes, please explain:

4. Is applicant presently involved in any litigation?

Yes _____ No _____

If yes, please explain:

5. Is applicant in default on any obligations at the present time?

Yes _____ No _____

If yes, please explain:

E. Proposed Project Information:

1. Location of Proposed Project:

2. Identify the objectives of the project in terms of production, sales, earnings and employment. Explain why RLF assistance is necessary and appropriate. Please attach additional pages if necessary.

F. Financial Information:

1. Attach financial statements or federal income tax forms for the last one (1) fiscal year.
2. Provide the amount, source and nature of any equity investment provided.

G. Feasibility Information:

Provide discussion of feasibility issues, including but not limited to permits required, corporate authorizations, environmental questions, and/or zoning.

H. Technical Assistance Disclaimer:

In connection with the Herkimer County Industrial Development Agency’s loan program, we may render certain technical assistance to you relating to management systems, internal controls, marketing plans, business plans, financial projections and compilations. Such assistance and all statements made in connection therewith are for your assistance and all statements made in connection therewith are for your use only, and may not be used or communicated in any manner whatsoever to third parties without our express written consent.

It is agreed and understood that we have taken no independent steps to verify the information you have provided us. We have not been requested to neither perform nor have we performed any auditing functions regarding this information. We have strictly relied upon the information as obtained provided and presented by you.

We are in no way responsible for your use of this information, and make no warranties and representations in connection therewith accept as expressly granted in writing.

You agree to indemnify and hold us harmless in connection with the use or misuse of such information, documents, representations or writings. Said technical assistance to be used by you only after you have reviewed and fully understood it, and verified and confirmed to your satisfaction that all statements of fact and representations contained therein are true and accurate. The same is rendered to you in addition to and not in lieu of any all acts and actions, evaluations and analysis necessary for you in the ordinary course of your business or otherwise, and is not intended to replace same.

I. Certification of Applicant:

Authorized signature of applicant who acknowledges the information contained in this application and attachments submitted herewith is true and complete.

Signature: _____

Title: _____

Date: _____

“This institution is an equal opportunity provider, employer and lender.”

AUTHORIZATION TO INVESTIGATE CREDIT

DATE: _____

**Herkimer County Industrial Development Agency
Revolving Loan Fund Committee
420 E. German Street, Suite 101A
Herkimer, NY 13350**

To Whom It May Concern:

In connection with my application for a loan/grant through the HCIDA Small Business Revolving Loan Fund, I hereby authorize you to investigate my creditworthiness as part of the loan review process.

Print Name: _____

Social Security #: _____

Date of Birth: _____

Current Address: _____

Signed: _____