Purchase Area Development District

PADD Business Loan Application

Documents Required to Process Application

Business Information

- Project Detail Worksheet
- Corporate tax returns for business and affiliates (3 years)
- Interim financial statements (within 90 days)
- Debt schedule
- Most recent aging of accounts receivable and payable*
- Two-year projection of income and expenses with assumptions

Owner Information

- Owners personal financial statement
- Personal income tax returns (3 years)
- Personal data sheet or resume
- Copy of drivers license

Other Information

- Detail breakdown of project costs
- Purchase agreements
- Construction quotes/bids
- Equipment quotes/bids
- Appraisal/Environmental Reports
- List of Available Collateral

PADD Loan Process

Phase 1
Applicant applies for PADD Loan Funding

Phase 2
PADD Business Lending Department Underwrites Loan

Phase 3
Loan is presented to PADD Loan Review Committee on 2nd Wednesday of the mont

Phase 4
If approved, PADD starts closing process, orders any rquired legal documents, and schedules closing.

REQUIRED FOR STARTUPS

- Business Plan
- Financial Projections for 2 years
- Assumptions and Pro Forma Balance Sheet
- Month by Month Cash Flow Projection

Other Information

- Affiliate Financial Statements and Federal Tax Returns (2 years)
- Affiliates are other businesses in which borrowers has a 20% ownership.
- Franchise Information-Franchise Agreement & FTC Disclosure
- IRS Form 4506-T

PADD Application Fee:

PADD requires an application fee at the time of application. A check made payable to PADD must be submitted with your application prior to the PADD processing your application. The PADD fee is based upon the loan amount and loan program. Loans processed in participation with another lender are waived.

Contact Us:

Mike Maxwell: mike.maxwell @purchaseadd.org 270-251-6170
Kris Johnson: kris.johnson@purchaseadd.org 270-251-6147

Purchase Area Development District

PADD Business Loan Eligibility

Eligibility Guidelines

Eligible Businesses

- Existing or Startup
- Must Be a For Profit Business
- Must be Registered and In Good Standing With the Kentucky Secretary of State *Before Loan Closes*
- Cannot be a Sole Proprietor and Must Employ More Than 1 Individual
- Must be Located in Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Marshall, or McCracken County
- SBA 504 Eligible Statewide
- No Prior Delinquent Federal Debt

Eligible Projects

- Purchase Land and Buildings
- Construction/Renovation
- Business Expansion
- Purchase Equipment
- Purchase Inventory
- Working Capital
- Leasehold Improvements
- Refinance*

Must Be Business Debt and Must Have A Sound Economic Justification... Lowering Interest Rate IS NOT Eligible.

Cash Flow Requirements

- Existing Business Have a Preferred Debt Service Coverage of 1:25xx or 2-Year Average of 1.25xx
- Startups Must Have a Global Cash Flow of 1:25xx

Borrower Injections

- PADD Cannot Finance 100% of Total Project
- Borrower Cash or Equity Injection of Minimum 10% Required

Collateral Guidelines

*PADD Must Have a 1 to 1 Collateral Coverage **

- Personal Real Estate
- Commercial Real Estate
- Vacant Land
- Personal or Commercial Vehicles
- Inventory
- Personal or Business Equipment
- Tangible Business Assets
- Cash (CD or Checking Assignment)

$1 Dollar of Collateral Coverage for Every $1 Dollar of Federal Debt

General LTV Limits

Land or Buildings

- 90% SBA 504
- 85% SBA 504 Startup
- 85% SBA 504 Special Use Property
- 80% SBA 504 Startup & Special Use Property
- 85% All Other PADD Programs

Equipment, Vehicles, Inventory

- 75% Specialized Equipment
- 50% Non-Specialized Equipment
- 50% Inventory
- 50% Tangible Business Assets

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PADD FEES FOR EDA, USDA, AND SBA MICROLOAN LOAN PROGRAMS

PADD Loan Program Fees for Loan Requests of $50,000 and above:

Application Fee: $250

PADD Loan Program Fees for SBA Microloans ($4,501-$50K)

Application Fee: $125

PADD Loan Program Fees for SBA Microloans $4500 or less

Application Fee: 3% of loan amount

In addition to the application fee, borrower is responsible for the following fees regardless of funding program:

- Recording Fees
- Attorney Fees Related to the Processing of Your Loan Request (Mortgage Preparation, Title Opinions and/or Title Insurance, Chattel Searches, UCC Searches, Loan Document Preparation)
- Appraisal Fees
- Business Valuation Fees
- Environmental Fees
- Renewal Fees (UCC's, title statements, etc.)
- Any other fee required for the closing of the loan

SBA 504 Fees

The SBA will charge the borrower the following fees which are rolled into their loan and included in the borrowers monthly payment to the SBA

- SBA Guarantee Fee: 0.5% of the loan's total value
- Funding Fee: 0.25% of the loan's total
- CDC Processing Fee: 1.5% of the loan's total
- Closing Costs: Variable depending on the loan amount
- Underwriter's Fee: Calculated based on the gross debenture amount
- Servicing Fees: Based on the declining balance of the loan
- Prepayment Premiums: Based on the principal balance of the loan and the interest rate

Ongoing Fees

As mentioned above, when the 504 loan is funded, the borrower will incur fees totaling approximately 2.65% of the 504 portion of the financing and a mixed legal fee up to $10,000. However, these fees are included in the principal amount adn financed over the term of the loan (i.e. they are NOT out of pocket expenses). SBA's loan fees are determined by SBA and are needed to cover the cost of administering the 504 Loan Program.

Contact Us:

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Kris Johnson: kris.johnson@purchaseadd.org 270-251-6147

QUICK REFERENCE TO PADD LOAN PROGRAMS

Loan Program and Agency	Use of Proceeds	Payback Period	Minimum Loan Amount/Cost Per Job	Maximum Loan Amount	Interest Rate	Eligible Companies
Economic Development Administration Revolving Loan Fund (RLF)	Land, Building, Working Capital, and Equipment	Up to 20 years	$25,000 per Job Created	$200,000	Tied to Prime Rate, then fixed for Amortization	Start-Up or Expanding
Rural Business Enterprise Grant Revolving Loan Fund (RBEG-RLF)	Land, Building, Working Capital, and Equipment	Up to 20 years	$25,000 per Job Created	$150,000	Tied to Prime Rate, then fixed for Amortization	Start-Up or Expanding
Rural Development Intermediary Relending Program (IRP)	Land, Building, Equipment, and Working Capital	Up to 20 years	$25,000 per Job Created	$150,000	Tied to Prime Rate, then fixed for Amortization	Start-Up or Expanding
Small Business Administration Certified Development Company--504 Program	Land, Building, Equipment, and Refinance	10 to 20 years	$90,000 per Job Created	$5,000,000 or 40% of the Project Cost or up to $5,500,000 for small mfg	Determined at the Sale of Debentures then fixed for Amortization	Start-Up or Expanding
Small Business Administration Micro Loan Fund	Equipment, Vehicles and Working Capital	Up to 6 years	No Minimum	$50,000	Tied to Prime Rate, then fixed for Amortization	Start-Up or Expanding

LOAN APPLICATION

Please email or mail completed form to:

bizloans@purchaseadd.org
Purchase Area Development District
PO Box 588, Mayfield, KY 42066

Amount Requested:

COMPANY INFORMATION *(information about your operating business)*

Name of Business:			
Physical Address:			
Telephone:		Cell:	
EIN:		Web Address:	
DUNS #:		Date Started:	

➔ (Visit http://fedgov.dnb.com/webform to get your ***free*** 9-digit DUNS # in a matter of minutes) ➔

Type of Business:	☐ LLC	☐ Corporation	☐ Sole Proprietorship	☐ Partnership
# of Employees:		Estimated # of New Employees in Next 2 Years:		
Primary Competitors:				
Main Clients:				

Ownership / Officers

IMPORTANT! Have there been any changes in the last six months? ☐ Yes ☐ No

Name:		Title:		% Owned:	
Name:		Title:		% Owned:	
Name:		Title:		% Owned:	
Name:		Title:		% Owned:	

Certifications

IMPORTANT! If any question below is answered "Yes," provide details below or in a separate exhibit. Ask your! representative for the specific information required.

☐ Yes	☐ No	1.	Does the business have any ownership interest in, or control of, any other business?
☐ Yes	☐ No	2.	Is the business involved in any other lawsuits at this time?
☐ Yes	☐ No	3.	Has the business ever filed for bankruptcy protection?
☐ Yes	☐ No	4.	Does the business now have, or has it ever had, an SBA loan?
☐ Yes	☐ No	5.	Does the business have any liens, IRS payment plans, past due taxes, or judgments?

Have you attempted to obtain credit from a bank or credit union? ☐ **Yes** ☐ **No**

If yes, list the name of the bank:

Brief explanation of why credit was not available:

Current Lease Information					
☐ Yes	☐ No	Do you have a lease for the space that your business currently occupies?			
Monthly Rent?		Lease Maturity:		Square Feet:	
Will the business be ☐ moving or ☐ expanding to the new project property?					

New Project Property Information			
Project Property Address:			
Total Square Footage:		Square footage your business will occupy:	

Tenant: If there will be any tenants (other than your business) in the property, provide the following information below:

Name of Tenant	S/F Leased	Lease Expiration	Rent

Source of Down Payment:	☐ Business Cash	☐ Personal Cash	☐ Gift

☐ If down payment is borrowed, state source:

Expected Closing Date:	

Real Estate Ownership Information				
Owner(s):				
Type of Ownership:	☐ LLC	☐ Corporation	☐ Individual(s)	☐ Partnership
	☐ Trust	☐ Other:		

If the owner of the project property will be a legal entity, list the owners of the entity below:

Name:		Title:		% Owned:	
Name:		Title:		% Owned:	
Name:		Title:		% Owned:	
Name:		Title:		% Owned:	

Authorization To Release and Collect Information

Purchase Area Development District (PADD)
1002 Medical Drive
Mayfield, KY 42066

I/We do hereby authorize the Purchase Area Development District to access and review information regarding my/our credit history for the proposed project. I/We understand the information will be used for verification of the credit application for small business financial assistance. I/We have been properly notified that the PADD will verify all statements through recognized credit reporting and/or other sources contained in the application.

By signing this release, I/We also hereby grant permission and authorization to PADD ("Lender") and its agents/assigns to obtain, verify, and request any and all information or documentation deemed necessary to process my/our loan application and to discuss my/our past credit history and the proposed project with those necessary for the purpose of evaluating the loan application.

In addition, I/we authorize the PADD to pull a credit report for the consumer reporting agency. I/We also acknowledge that , in case of an approved loan application, if I/we default on the loan to PADD, this information will be given to credit reporting agencies.

My/Our signature(s) below authorize(s) such inquiries by the Purchase Area Development District.

Applicant **Social Security Number**

Applicant **Social Security Number**

You may print and sign this form or sign electronically. By signing your name electronically on this Authorization to Release and Collect Information,you are agreeing that your electronic signature is the legal equivalent of your manual signature on this Authorization Form.

Personal Information Sheet

☞ **IMPORTANT!** This form must be completed in full by each officer, director, key employee, 20% or greater owner of the operating company and / or the real estate holding entity. Please make copies as needed.

Full Name _____ **SS#** _____
FIRST FULL MIDDLE MAIDEN LAST

Date of Birth _____ **Place of Birth** _____
MONTH DAY YEAR CITY STATE

Phone #s _____ **email** _____
RESIDENCE BUSINESS CELL PHONE

Residence Address _____
STREET, CITY, STATE, ZIP FROM - TO

Previous Address _____
STREET, CITY, STATE, ZIP FROM - TO

Spouse's Full Name _____ **SS#** _____
FIRST FULL MIDDLE MAIDEN LAST

Work Experience (you may substitute a resume)

Company Name/Location _____

From _____ To _____ Title _____

Duties _____

Company Name/Location _____

From _____ To _____ Title _____

Duties _____

Education | College or Technical Training

Name and Location	Dates Attended (From/To)	Major	Degree or Certificate
1.			
2.			

Optional Questions

1. Sex: ☐ Male ☐ Female

2. With which race do you most closely identify? Choose only one.
   ☐ American Indian / Alaska Native ☐ Asian ☐ Black / African-American
   ☐ Native Hawaiian / Pacific Islander ☐ White / Caucasian ☐ Not disclosed

3. Are you Hispanic or Latino?
   ☐ Hispanic / Latino ☐ Not Hispanic / Latino ☐ Not disclosed

Credit Report & Background Check Authorization

I hereby authorize Purchase Area Development District, or any Lender Services Provider with which it has contracted, to request and review all data about me that it deems to be appropriate, including credit reports from credit reporting agencies and background checks to search for prior criminal convictions, lawsuits, bankruptcies, and tax liens. I further authorize Purchase Area Development District to release such information to any other party deemed necessary for any purpose related to my credit application/transaction. I also authorize third parties, including credit reporting agencies, to release to Purchase Area Development District any and all information at any time for any purpose related to my credit application/transaction. I hereby certify that the enclosed information (together with any attachments or exhibits) is valid and true, accurate and correct to the best of my knowledge.

Signature: **Date:**

Personal Information Sheet

Certifications

☐	Yes	☐	No	1.	Are you a United States citizen? **If "No," please provide a copy of your Alien Registration Card (front and back). We will also provide you a form for verifying your status with U.S. Customs and Immigration Services (USCIS).**
☐	Yes	☐	No	2.	Have you or any member of your household ever been employed by the U.S. Government or Military? *If "Yes," name of person:* _____ *Relationship:* _____ *Agency/position/rank/grade:* _____ *Dates of service:* _____
☐	Yes	☐	No	3.	Do you now, or have you ever, had an SBA loan or a loan from any other federal agency (i.e., FHA, HUD, VA, student loan, etc.)?
☐	Yes	☐	No	4.	Do you have any ownership interest in, or control of, any other business?
☐	Yes	☐	No	5.	Are you or any company under your control involved in any lawsuits or outstanding judgements at this time?
☐	Yes	☐	No	6.	Have you *ever (regardless of age)* filed for business or personal bankruptcy protection? This includes bankruptcies that were ultimately dismissed. **This answer is verified by PADD and/or the U.S. Small Business Administration via a background check, thus failure to disclose all prior bankruptcy filings could result in delayed processing and/or loan application decline.**
☐	Yes	☐	No	7.	Has a federal or state tax lien *ever (regardless of age)* been filed against you or your businesses? **This answer is verified by PADD and/or the U.S. Small Business Administration via a background check, thus failure to disclose all prior tax liens could result in delayed processing and/or loan application decline.**
☐	Yes	☐	No	8.	Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction?
☐	Yes	☐	No	9.	Have you been arrested in the past six months for any criminal offense?
☐	Yes	☐	No	10.	For any criminal offense – other than a minor vehicle violation – have you ever: (1) been convicted; (2) plead guilty; (3) plead nolo contendere; (4) been placed on pretrial diversion; or (5) been placed on any form of parole or probation (including probation before judgment)? **This includes all criminal (misdemeanor or higher) convictions, *regardless of age*, even if it was ultimately expunged from your record. This answer is verified by PADD and/or the U.S. Small Business Administration via a background check, thus failure to disclose all offenses could result in delayed processing and/or a loan application decline.**

If you answered "YES" to any of questions #3 through #10 above, please provide details on a separate sheet of paper. Contact us for appropriate forms.

Signature:	**Date:**
Printed Name:	



Project Cost Worksheet

PROJECT COSTS				
Land or Building Purchase			$	
Site Improvements			$	
New Construction			$	
Working Capital			$	
Renovation Costs/Leasehold Improvements			$	
Machinery ☐ **Equipment** ☐ **Inventory** ☐ **Rolling Stock/Vehicle** ☐			$	
Professional Fees:				
Engineering	$			
Architect	$			
Certain Legal Costs	$			
Certain Accounting Costs	$			
Appraisal	$			
Environmental Report	$			
Sub-Total Professional Fees			$	0
Soft Costs:				
Interest on Bridge Loan	$			
Bank Closing Costs	$			
Points on Bridge Loan	$			
10% Construction Contingency	$			
Sub-Total Soft Costs			$	0
TOTAL PROJECT COSTS			**$**	0

BUSINESS DEBT SCHEDULE

List below all debt of the business, including term loans, lines of credit, shareholders' notes, and capital leases. The balances should **MATCH** the balances on the most current Balance Sheet being submitted as part of this application.	
Applicant Business:	As of month ending:

Creditor	Type of Loan (term loan, line of credit, etc.)	Original Date	Original Balance or Credit Limit	Present Balance	Monthly Payment	Interest Rate	Maturity Date	Collateral	Current (Yes or No)
TOTALS			**$**	**$**					

By: _____ Date: _____

Signature

Print Name and Title: _____

Collateral

List below all debt of the business available collateral that can be pledged to secure this loan request. For equipment, include type of equipment and estimated value. For vehicles, provide year, make and model. For real estate, provide address, estimated value and prior liens	
Applicant Business:	As of month ending:

Collateral (If real estate, list address)	Year	Make	Model	Estimated Value	Prior Liens ($ amount)	Current Creditor		Description	
TOTALS			$	$					

By: _____ Date: _____

Signature

Print Name and Title: _____

Project Narrative:

Please provide a detailed explanation of your project.

(If you are requesting funding for working capital, please detail what the working capital will be used for (ex. payroll, inventory, etc.).

Name	**Business Phone** (*xxx-xxx-xxxx*)
Home Address	**Home Phone** (*xxx-xxx-xxxx*)
City, State, & Zip Code	
Business Name of Applicant/Borrower	
Business Address *(if different than home address)*	
Business Type: ☐ **Corporation** ☐ **S-Corp.** ☐ **LLC** ☐ **Partnership** ☐ **Sole Proprietor** *(does not apply to ODA applicant)*	
This information is current as of [month/day/year] *(within 90 days of submission for 7(a)/504/SBG/ODA/WOSB or within 30 days of submission for 8(a) BD)*	
WOSB applicant only, Married ☐ **Yes** ☐ **No**	

ASSETS (Omit Cents)		**LIABILITIES** (Omit Cents)	
Cash on Hand & in banks		Accounts Payable	
Savings Accounts		Notes Payable to Banks and Others (Describe in Section 2)	
IRA or Other Retirement Account (Describe in Section 5)		Installment Account (Auto) Mo. Payments	
Accounts & Notes Receivable (Describe in Section 5)		Installment Account (Other) Mo. Payments	
Life Insurance – Cash Surrender Value Only (Describe in Section 8)		Loan(s) Against Life Insurance	
Stocks and Bonds (Describe in Section 3)		Mortgages on Real Estate (Describe in Section 4)	
Real Estate (Describe in Section 4)		Unpaid Taxes (Describe in Section 6)	
Automobiles (Describe in Section 5, and include Year/Make/Model)		Other Liabilities (Describe in Section 7)	
Other Personal Property (Describe in Section 5)		Total Liabilities	$ 0
Other Assets (Describe in Section 5)		Net Worth	
Total	$ 0	**Total** Must equal total in assets column.	$ 0

Section 1. Source of Income.		**Contingent Liabilities**	
Salary		As Endorser or Co-Maker	
Net Investment Income		Legal Claims & Judgments	
Real Estate Income		Provision for Federal Income Tax	
Other Income (Describe below)		Other Special Debt	

Description of Other Income in Section 1 (Alimony or child support payments should not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income)

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Names and Addresses of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets. (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.)

Section 6. Unpaid Taxes. (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)
Section 7. Other Liabilities. (Describe in detail.)
Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies – name of insurance company and Beneficiaries.)

I authorize the SBA/Lender/Surety Company to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness.

CERTIFICATION: (to be completed by each person submitting the information requested on this form and the spouse of any 20% or more owner when spousal assets are included)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that SBA or its participating Lenders or Certified Development Companies or Surety Companies will rely on this information when making decisions regarding an application for a loan, surety bond, or participation in the WOSB or 8(a) BD program. I further certify that I have read the attached statements required by law and executive order.-

Signature _____ Date _____

Print Name _____ Social Security No. _____

Signature _____ Date _____

Print Name _____ Social Security No. _____