

# **Eden Economic Development Corporation**

## **IRP Loan Program**

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## **Loan Qualifications**

### **Application Process and Forms**

1. Eden Economic Development Corporation (EEDC) will accept no pre- or full applications excepting those which are submitted through the offices of the City of Eden.
2. No application shall be accepted by the EEDC office that is determined to be incomplete or that is not signed by the applicant.
3. Applications will be considered for financing in the order of receipt.
4. All applications must be prepared and submitted on the approval of EEDC IRP application forms, to the extent feasible.

### **Compliance with Federal, State and Local Requirements**

1. Environmental Review, consisting of at least an initial environmental examination or extended impact study if necessary.
2. The applicant shall be required to sign a Certification of Assurances to comply with the requirements of this plan as applicable.

### **Use of Proceeds**

1. Proceeds may not exceed 75% of the total project (maximum loan request of \$175K).

### **Security**

1. Assets being financed – first line of security
2. Appraisals required on real estate loans in excess of \$50,000 (Brokers opinion acceptable for loans less than \$50,000)
3. Personal guarantee
4. Assignment of life insurance on all key owners
5. Hazard insurance
6. Additional security, if necessary
7. Mortgage Insurance Protection, Title Policy
8. UCC-1 searches and credit reports provided by applicant

### **Information**

1. Two letters of denial from lending agencies
2. Maximum term of loans – 20 years
3. Loan origination fee – 2% of the approved EEDC-IRP portion of the total cost
4. Interest rate is Prime/Wall Street Journal minus 1%

**Loan Application Preliminary Checklist**

1. \_\_\_ History of Company – cover how business is structured, product, market and need for loan.
2. \_\_\_ Use of Proceeds Statement – breakdown of cost in project. (Land, building, equipment, furniture, and fixtures.) Include estimates for construction and equipment.
3. \_\_\_ Financial Statements – Three years past and latest Interim Statements (Balance Sheet and Profit & Loss) – Interim Statements must be within 60 days.
4. \_\_\_ Personal Financial Statement – anyone owning 20% or more of company
5. \_\_\_ Resume – anyone owning 20% or more of company and key managers.
6. \_\_\_ Bank commitment letter if applicable.
7. \_\_\_ Financial projection of business income for two (2) years – start up business must project Income Statement and Balance Sheet for two (2) years.
8. \_\_\_ Cash flow budget for twelve (12) months.
9. \_\_\_ Business and personal tax returns.
10. \_\_\_ Guarantee commitments, if applicable.

***Please send these items to Eden Economic Development Corporation, attention Loan Administrator. If any clarification is needed, please call 325-869-2211. Fax 325-869-5075***

**Purpose of IRP Loan**

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Estimated Cost of Project:

Land	_____
Building	_____
Equipment	_____
Working Capital (including inventory)	_____

Financing for this project:

IRP Loan	_____
Other	_____
Owner Injection	_____
Requested Length of IRP Loan	_____

Other Financing:            Interest Rate \_\_\_\_\_            Length \_\_\_\_\_  
Source: \_\_\_\_\_  
Collateral: \_\_\_\_\_

_____	_____	_____
_____	_____	_____
_____	_____	_____
Name of Borrower:	Signature of Borrower:	Date:

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This program is operated in accordance with the U.S. Department of Agriculture policy, which prohibits discrimination on the basis of race, color, sex, age, handicap, religion, or natural origin.

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Applicant acknowledges that EEDC assumes no liability whatsoever with respect to this loan application and that it is not a commitment by EEDC to Applicant that the loan will be made regardless of any oral representations to the contrary by EEDC personnel.

**Intermediary Relending Program (IRP) Loan Application**

Legal name of borrower(s) \_\_\_\_\_

Names of authorized business representatives/agents/owners and Title

Name	Title	Name	Title
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Sex of: (Please give percentage)

Ownership: _____ % Male	_____ % Female
Partnership: _____ % Male	_____ % Female
Corporation: _____ % Male	_____ % Female

Race/National Origin (Check one):

White _____	Black _____
Hispanic _____	Am. Indian/Alaskan Native _____
Asian/Pacific Islander _____	

Telephone Number \_\_\_\_\_

Tax ID Number or SSN \_\_\_\_\_

Address of Project \_\_\_\_\_

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

History of Business: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Existing Jobs: \_\_\_\_\_

Jobs to be created: \_\_\_\_\_

### **History and Nature of Business**

Following are several questions concerning the history and nature of the business and the rationale for the proposed project. The applicant is not obligated to answer each question and at the same time should not feel limited to only these questions:

Has there been any expansion or change of ownership?

What has been the reason for the company's growth?

Has there been any change in the company's activities, new products, etc.?

What advantage does your company/product(s) have over your competitors and how does your volume compare to theirs?

Who are your major suppliers?

How many customers do you service?

What percentage of business is done with your five largest customers?

Is your business/product seasonal?

What are your industry's trends?

Explain what data the company used to determine the increase in customers, revenues and projects, as presented in the pro forma operating statements and cash flow projection.

What are the trends in employment in the area in which the applicant is moving/starting/expanding?

Is the economic base of the surrounding area large enough to support the applicant's move/start-up/expansion? Give details.

Has the effect of the existing competition been carefully evaluated? How?

Have other population characteristics of the market (including family size, age trends, median income, education levels) been evaluated? How?

Other Information:

**Exhibit 1 – History of the Business**

Name of Borrower(s) \_\_\_\_\_

Trade Name of Business and/or d/b/a \_\_\_\_\_

Address of Project \_\_\_\_\_

Street Address \_\_\_\_\_ Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_ County \_\_\_\_\_

Primary SIC Code \_\_\_\_\_

Contact Person \_\_\_\_\_

Telephone Number \_\_\_\_\_

Year company was established \_\_\_\_\_

List the names of the owners and percentage owned:

\_\_\_\_\_ %

\_\_\_\_\_ %

\_\_\_\_\_ %

\_\_\_\_\_ %

Is the business a:    \_\_\_ Corporation    \_\_\_ Partnership    \_\_\_ Proprietorship

Is the borrower a:    \_\_\_ Corporation    \_\_\_ Partnership    \_\_\_ Proprietorship

What is the square footage of land: \_\_\_\_\_ at present facility  
\_\_\_\_\_ at completion of project

Current employees: \_\_\_\_\_ Full Time    \_\_\_\_\_ Part Time

Projected employees within two (2) years of projected completion:  
\_\_\_\_\_ Full Time    \_\_\_\_\_ Part Time

Briefly describe the type of business:

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

**Exhibit 2 – Total Project Cost**

<b><u>Use</u></b>	<b><u>Amount</u></b>
A. Land Acquisition	_____
B. Land Improvements	_____
C. Purchase Existing Building	_____
D. Remodel Existing Building	_____
E. New Construction	_____
F. Purchase Machinery & Equipment	_____
G. Purchase Furniture & Fixtures	_____
H. Interim Interest	_____
I. Contingencies	_____
J. Other Professional Fees	_____
K. Accounts Receivable	_____
L. Inventory	_____
M. Working Capital	_____
N. Total Project Cost	_____

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Exhibit 3**

Balance Sheet  
And  
**Annual** Profit and Loss Statement  
For the previous three (3) years.  
Must be signed and dated.

**Exhibit 4 – Most Current Year to Date Balance Sheet**

Assets:

Current Assets:

Cash	_____
Accounts Receivable	_____
Inventory	_____
Other	_____

Total Current Assets \_\_\_\_\_

Fixed Assets:

Land	_____
Building	_____
Machinery & Equipment	_____
Other	_____

Total Fixed Assets	_____
Less: Accumulated Depreciation	_____

Total Fixed Assets \_\_\_\_\_

**Total Assets** \_\_\_\_\_

Liabilities & Net Worth

Current Liabilities:

Accounts Payable	_____
Notes Payable	_____
Taxes Payable	_____
Other Current Liabilities	_____

Total Current Liabilities \_\_\_\_\_

Notes Payable (long term) \_\_\_\_\_

Other Long Term Liabilities \_\_\_\_\_

Total Long Term Liabilities \_\_\_\_\_

**Total Liabilities** \_\_\_\_\_

Common Stock \_\_\_\_\_

Retained Earnings \_\_\_\_\_

Total Net Worth \_\_\_\_\_

**Total Liabilities & Net Worth** \_\_\_\_\_

**Exhibit 4 - Current Year to Date Income Statement**

Gross Sales	_____
Less: Cost of Goods Sold	_____
Gross Profit	_____

Expenses:

Officer's Salaries	_____
Employee Wages	_____
Payroll Expenses	_____
Accounting & Legal Fees	_____
Advertising	_____
Depreciation	_____
Insurance	_____
Interest	_____
Repairs & Maintenance	_____
Supplies	_____
Taxes (real estate, etc.)	_____
Telephone	_____
Travel & Transportation	_____
Utilities	_____
Bad Debts	_____
Other	_____
Other	_____

Total Expenses	_____
Total Profit (loss)	_____
Less: Income Tax	_____
Net Profit (loss) after tax	_____
Distributions or Withdrawals (proprietorship, partnership)	_____

**Exhibit 5 – Proforma Balance Sheets**  
(Two (2) Years)

Date		
<b><u>Assets:</u></b>		
Current Assets:		
Cash		
Accounts Receivable		
Inventory		
Other		
Total Current Assets		
Fixed Assets:		
Land		
Building		
Machinery & Equipment		
Other		
Total Costs		
Less: Accumulated Depreciation		
Total Fixed Assets:		
Other Assets:		
<b>TOTAL ASSETS</b>		
<b><u>Liabilities &amp; Net Worth</u></b>		
Current Liabilities (1 year or less):		
Accounts Payable		
SBA		
Taxes Payable		
Other Current Liabilities		
Total Current Liabilities		
Long Term Liabilities (1 year or more):		
Notes Payable		
SBA		
Other Notes Payable		
Total Long Term Liabilities:		
<b>TOTAL LIABILITIES</b>		
Common Stock		
Retained Earnings (Net Worth)		
<b><u>TOTAL LIABILITIES AND NET WORTH</u></b>		

**Exhibit 6 – Estimated Projection and Forecast of Two Years Earnings**

Attach narrative explaining basis for figures showing receipts, expenses and profits

	Year	_____	_____
Gross Receipts		_____	_____
Merchandise Cost		_____	_____
Gross Profit		_____	_____
Expenses			
Officer’s Salaries (if Corporation)		_____	_____
Employee’s Wages		_____	_____
Accounting & Legal Fees		_____	_____
Advertising		_____	_____
Rent		_____	_____
Depreciation		_____	_____
Supplies		_____	_____
Electricity		_____	_____
Telephone		_____	_____
Interest		_____	_____
Repairs		_____	_____
Taxes		_____	_____
Insurance		_____	_____
Bad Debts		_____	_____
**Miscellaneous (postage, etc.)		_____	_____
Total Expenses		_____	_____
Net Profit		_____	_____
Less: Income Taxes		_____	_____
Less: Withdrawals (proprietorship/partnership)		_____	_____
Net Profit Remaining for Loan Payment		_____	_____
**If sum is larger than 7% of Total Expenses, Please itemize.		_____	_____

*I certify that the foregoing data fairly represents the financial situation to the best of my knowledge.*

_____ Signature	_____ Title	_____ Date
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**Exhibit 7**

(New Businesses)  
Cash flow analysis for 12 months  
Or 3 months beyond breakeven

**Exhibit 8**

Names of affiliated  
and/or subsidiary firms.

Last two fiscal year-end and  
current financial statements  
for the listed firms.

**Exhibit 9 – Resume – for each Owner/ Partner or attach your own.**

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

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

Telephone No: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Occupation: \_\_\_\_\_

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

Education: \_\_\_\_\_

Previous Occupations \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Memberships/ Associations/ Professional Groups

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



**Exhibit 11**

Franchise Agreement  
If applicable



**Exhibit 13**  
**CERTIFICATE AS TO PARTNERS**

We, the undersigned, are general partners doing business under the firm name and styles of \_\_\_\_\_ and constitute all the partners thereof.

Acts done in the name or on behalf of the firm by any one of us shall be binding on said firm and each of us and all of us.

This statement is signed and the forgoing representations are made in order to induce Eden Economic Development Corporation (hereafter called "EEDC"):

1. To consider applications for a loan or loans to said firm when signed by any one of us.
2. To make a loan or loans to said firm against a promissory note signed in the firm name by any one of us.
3. To accept as security for the payment of such note or notes any collateral which may be offered by any one of us.
4. To consider applications signed in the firm name by any one of us, for any renewals or extensions for all or any part of such loan or loans and any other loan or loans heretofore or hereafter made by EEDC to said firm.
5. To accept any other instruments or agreements of said firm which may be required by EEDC in connection with such loan, renewals, or extensions when signed by any one of us.

Any indebtedness heretofore contracted and any contracts or agreements heretofore made with EEDC on behalf of said firm and all acts of partnership or agents or said firm in connection with said indebtedness or said contracts or agreements are hereby ratified and confirmed, and we do hereby certify that THERE IS ATTACHED HERETO A TRUE COPY OF OUR AGREEMENT OF PARTNERSHIP (EXHIBIT 25).

Each of the undersigned is authorized to mortgage and/or pledge all or any part of the property, real, personal, or mixed, of said firm as security for any such loan as is above referred to.

This statement and representations made herein are in no way intended to exclude the general authority of each partner as to any acts not specifically mentioned or to limit the power of any one of us to bind said firm and each and every one of us individually.

EEDC is authorized to rely upon the aforesaid statements until receipt of written notice any change.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
(Print or Typed Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print or Typed Name)

\_\_\_\_\_  
(Signature)

**Exhibit 14 – RESOLUTION OF BOARD OF DIRECTORS**

(Name of Applicant)

Loan No. \_\_\_\_\_

(1) RESOLVED, that the officers of the corporation named below, or any one of them, or their, or any of their, duly elected or appointed successors in office, be and they are hereby authorized and empowered in the name and on behalf of this corporation to execute and deliver to Eden Economic Development Corporation (hereinafter called “EEDC”) in the form required by EEDC, the following documents: (a) application for a loan or loans, the total thereof not to exceed in principal amount \$\_\_\_\_\_, maturing upon such date or dates and bearing interest at such rate or rates as may be prescribed by EEDC; (b) applications for any renewals or extensions of all or any part of such loan or loans and of any other loans, heretofore or hereafter made by EEDC to this corporation; (c) the promissory note or notes of this corporation evidencing such loan or loans or any renewals or extensions thereof; and (d) any other instruments or agreements of this corporation which may be required by EEDC in connection with such loans, renewals, and/or extensions; and that said officers in their discretion may accept any such loan or loans in installments and give one or more notes of the corporation therefore, and may receive and endorse in the name this corporation any checks or drafts representing such loan or loans or any such installments;

(2) FURTHER RESOLVED, that the aforesaid officers or any one of them or their duly elected or appointed successors in office, be and they are hereby authorized and empowered to do an acts, including but not limited to the mortgage, pledge, or hypothecation from time to time with EEDC of any or all assets of this corporation to secure such loan or loans, renewals and extensions, and to execute in the name and on behalf of this corporation, any instruments or agreements deemed necessary or proper by EEDC, in respect of the collateral securing any indebtedness of the corporation;

(3) FURTHER RESOLVED, that any indebtedness heretofore contracted and any contracts or agreements heretofore made with EEDC on behalf of the corporation, and all acts of officers or agents of the corporation in connection with said indebtedness or said contracts or agreements, are hereby ratified and confirmed;

(4) FURTHER RESOLVED, that the officers referred to in the foregoing resolutions are as follows:

_____	_____	_____
(Print or Typed Name)	(Title)	(Signature)
_____	_____	_____
(Print or Typed Name)	(Title)	(Signature)
_____	_____	_____
(Print or Typed Name)	(Title)	(Signature)
_____	_____	_____
(Print or Typed Name)	(Title)	(Signature)

(5) FURTHER RESOLVED, that EEDC is authorized to rely upon the aforesaid resolutions until receipt of written notice of any change.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution regularly presented to and adopted by the Board of Directors \_\_\_\_\_ at a meeting duly called and held at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, at which a quorum was present and voted, and that such resolution is duly recorded in the minute book of the corporation; that the officers named in said resolution have been duly elected or appointed to, and are the present incumbents of, the respective offices set after their respective names; and that the signatures set opposite their respective names are their true and genuine signatures.

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Board Secretary

**Exhibit 15**

Details of Insolvency proceedings  
or bankruptcy if applicable

**Exhibit 16**

Pending Lawsuits

**Exhibit 17**

Copy of existing or proposed  
lease or purchase agreement

**Exhibit 18**

Appraisal

**Exhibit 19**

Preliminary plans and specifications  
for construction and/or machinery and equipment

**Exhibit 20**

Bank letter

detailing their involvement.

**Exhibit 21**

List of collateral to be offered as  
security for the loan

**Exhibit 22**

Articles of  
Incorporation

**Exhibit 23**

Bylaws

**Exhibit 24**

Shareholders Agreement

**Exhibit 25**

Partnership Agreement

**ASSURANCE AGREEMENT**  
(Under Title VI, Civil Rights Act of 1964)

The \_\_\_\_\_  
(Name of recipient)

\_\_\_\_\_  
(Address)

("Recipient" herein) hereby assures the U.S. Department of Agriculture that Recipient is in compliance with and will continue to comply with Title VI of the Civil Rights Act of 1964 ( 42 USC 2000d et. Seq.), 7 CFR Part 15, and Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service, or the Farm Service Agency, (hereafter known as the "Agency") regulations promulgated there under, 7 C.F.R. §1901.202. In accordance with that Act and the regulations referred to above, Recipient agrees that in connection with any program or activity for which Recipient receives Federal financial assistance (as such term is defined in 7 C.F.R. § 14.2) no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

1. Recipient agrees that any transfer of any aided facility, other than personal property, by sale, lease or other conveyance of contract, shall be, and shall be made expressly, subject to the obligations of this agreement and transferee's assumption thereof.
2. Recipient shall:
  - a) Keep such records and submit to the Government such timely, complete, and accurate information as the Government may determine to be necessary to ascertain our/my compliance with this agreement and the regulations.
  - b) Permit access by authorized employees of the Agency or the U.S. Department of Agriculture during normal business hours to such books, records, accounts and other sources of information and its facilities as may be pertinent to ascertaining such compliance.
  - c) Make available to users, participants, beneficiaries and other interested persons such information regarding the provisions of this agreement and the regulations and in such manner as the Agency or the U.S. Department of Agriculture finds necessary to inform such persons of the protection assured them against discrimination.
3. The obligations of this agreement shall continue:
  - a) As to any real property, including any structure, acquired or improved with the aid of the Federal financial assistance, so long as such real property is used for the purpose for which the Federal financial assistance is made or for another purpose which affords similar services or benefits, or for as long as the Recipient retains ownership or possession of the property, whichever is longer.
  - b) As to any personal property acquired or improved with the aid of the Federal financial assistance, so long as Recipient retains ownership or possession of the property.
  - c) As to any other aided facility or activity, until the last advance of funds under the loan or grant has been made.
4. Upon any breach or violation this agreement the Government may, at its option:
  - a) Terminate or refuse to render or continue financial assistance for the aid of the property, facility, project, service or activity.
  - b) Enforce this agreement by suit for specific performance or by any other available remedy under the laws of the United States of the State in which the breach or violation occurs.

Rights and remedies provided for under this agreement shall be cumulative.

In witness whereof, \_\_\_\_\_ on this  
(Name of recipient)

Date has caused this agreement to be executed by its duly authorized officers and its seal affixed hereto, or, if a natural person, has hereunto executed this agreement.

(SEAL)

Attest: \_\_\_\_\_  
Title

\_\_\_\_\_  
Recipient

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

According to the Paperwork Reduction Act of 1995, no persons are required to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0018. The time required to complete this information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

## **Laws and Executive Orders**

Federal executive agencies, including the Farmers Home Administration/Rural Missouri, Inc., (FmHA/RMI) are required to withhold or limit financial assistance, to impose special conditions on approved loans, to provide special notices to applicants or borrowers and to require special reports and data from borrowers in order to comply with legislation passed by the Congress and Executive Orders issued regulations and procedures that implemented these laws and executive orders and they are contained in Parts 112, 113 and 116, Title 13 Code of Federal Regulations Chapter 1, or SOP's.

This form contains a brief summary of the various laws and executive orders that affect FmHa/ RMI's business loan programs and give applicants and borrowers the notices required by laws or otherwise. The signatures required on the last page provide evidence that FmHA/RMI has given the necessary notices, that the signatory understand that special information will be required in some cases and that he or she may be required to complete and submit reports to FmHA/RMI.

### **Freedom of Information Act**

This law provides that, with some exceptions, FmHA/FMI must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among to her things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholder or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower to the nearest FmHA/RMI office and be identified as a Freedom of Information request.

### **Privacy Act**

Business loan files are maintained by business name or in the name of individuals in their entrepreneurial capacity. Thus they are not files on individuals and therefore, are not subject to this Act. Any person can request to see or get copies of any personal information that FmHA/RMI has in the requestor's file. Requests for information about another party may be denied unless FmHA/RMI has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act.

Under the provisions of the Privacy Act, loan applicants are not required to give their social security number. The Farmers Home Administration/Rural Missouri, Inc., however, uses the social security number to distinguish between people with a similar or the same name. Failure to provide this number may not affect any right, benefit or privilege to which an individual is entitled by law but having the number makes it easier for FmHA/RMI to more accurately identify to whom adverse credit information applies and to keep accurate loan records.

NOTE: Any person concerned with the collection of information, its voluntariness, and disclosure of routine use under the Privacy Act of requesting information under the Freedom of information under the freedom of Information Act may contact the Director, Freedom of Information / Privacy Acts, Farmers Home Administration, 555 Vandiver Drive, Columbia, MO 65202.

### **Right to Financial Privacy Act of 1978**

This notice to you, as required by the Right to Financial Privacy Act of 1978, of FmHA/RMI's access rights to financial records held by financial institutions that are or have been doing business with you or your business, including any financial institution participating in a loan or loan guarantee. The law provides that FmHA/RMI shall have a right of access to your financial records in connection with its consideration or administration of assistance to you in the form of a Government loan or loan guaranty agreement. FmHA/RMI is required to provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records, after which no further certification is required for subsequent accesses. The law also provides that FmHA/RMI's access rights continue for the term of any approved loan or loan guaranty agreement. No further notice to you of FmHA/RMI's access rights is required during the term of such agreement.

Any financial records included in an application or a loan, or concerning an approved loan or loan guarantee, as necessary to process, service or foreclose a loan or loan guarantee or to collect on a defaulted loan or loan guarantee. No other transfer of your financial records to another Government authority will be permitted by FmHA/RMI except as required or permitted by law.

### **Flood Disaster Protection Act**

Regulations issued by the Federal Insurance Administration (FIA) and by FmHA/RMI implement this Act and its amendments. These regulations prohibit FmHA/RMI from making certain loans in an FIA designated floodplain unless Federal flood insurance is purchased as a condition of the loan. Failure to maintain the required level of flood insurance makes the applicant ineligible for any future financial assistance from FmHA/RMI under any program, including disaster assistance.

### **Executive Orders – Floodplain Management and Wetland Protection**

FmHA/RMI discourages any settlement in or development of a floodplain or wetland. This statement is to notify all FmHA/RMI loan applicants that such actions are hazardous to both life and property and should be avoided. The additional cost of flood prevention construction must be considered in addition to the possible loss of all assets and investments in future floods.

### **Lead-Based Paint Poisoning Prevention Act**

Borrowers using FmHA/RMI funds for the construction or rehabilitation of a residential structure are prohibited from using lead-based paints (as defined in FmHA/RMI regulations) on all interior surfaces, whether accessible or not, and exterior surfaces, such as stairs, decks, porches, railings, windows and doors, which are readily accessible to children under 7 years of age. A “residential structure” is any home, apartment, hotel, motel, orphanage, boarding school, dormitory, daycare center, extended care facility, college or other school housing, hospital, group practice or community facility and all other residential or institutional structures where persons reside.

### **Equal Credit Opportunity Act**

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 that the applicant has the capacity to enter into a binding contract); because of all part of the applicants 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 agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Room 500, 633 Indiana Avenue, N.W., Washington, D.C. 20580.

### **Civil Rights Legislation**

All businesses receiving FmHA/RMI financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public, on the basis of categories cited in 13 C.F.R., Parts 112 and 113. This includes making their goods and services available to handicapped clients or customers. All business borrowers will be required to display the ‘Equal Employment Opportunity Poster’ prescribed by FmHA/RMI.

### **Executive Order 11738 – Environmental Protection**

The Executive Order charges FmHA/RMI with administering its loan programs in a manner that will result in effective enforcement of the Clean Air Act, the Federal Water Pollution Act and other environmental protection legislation. FmHA/RMI must, therefore, impose conditions on some loans. By acknowledging receipt of this form and presenting the application, the principals of all small businesses borrowing \$100,000 or more in direct funds stipulate to the following:

1. That any facility used, or to be used, by the subject firm is not listed on the EPA listing of Violating Facilities.
2. That subject firm will comply with all the requirements of Section 114 of the Clean Air Act and Section 308 of the Water Act relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in Section 114 and Section 308 of the respective Acts.
3. That subject firm will notify FmHA/RMI of the receipt of any communication from the Director of the Environmental protection Agency indicating that a facility utilized, or to be utilized, by subject firm is under consideration to be listed on EPA List of Violating Facilities.

### **Occupational Safety and Health Act**

This legislation authorizes the Occupational Safety and Health Administration in the Department of Labor to require businesses to modify facilities and procedures to protect employees or pay penalty fees. In some instances the business can be forced to cease operations or be prevented from starting operations in a new facility. Therefore, in some instances FmHA/RMI may require additional information from an applicant to determine whether the business will be in compliance with OSHA regulations and allowed to operate its facility after the loan is approved and disbursed.

In all instances, signing this form as borrower is a certification that the OSHA requirements that apply to the borrower’s business have been determined and the borrower is, to the best of its knowledge, in compliance.

### **Consumer Credit Protection Act**

This legislation gives an applicant who is refused credit because of adverse information about the applicant’s credit, reputation, character or mode of living an opportunity to refute or challenge the accuracy of such reports. Therefore, whenever FmHA/RMI declines a loan in whole or in part because of adverse information in a credit report, the applicant will be given the name and address of the reporting agency so the applicant can seek to have that agency correct its report, if inaccurate. If FmHA/RMI declines a loan in whole or in part because of adverse information received from a source other than a credit reporting agency, the applicant will be given information about the nature of the adverse information but not the source of the report.

Within 3 days after the consummation of the transaction, any recipient of an FmHA/RMI loan which is secured in whole or in part by a lien on the recipient’s residence or household contents may rescind such a loan in accordance with the ‘Regulation Z’ of the Federal Reserve Board.

### **Statement for Loan Guarantees and Loan Insurance**

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in conjunction with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form LLL 'Disclosure Form to Report Lobbying,' In accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.

### **Certification Pursuant to Immigration and Nationality Act as Amended by the Immigration Reform and Control Act of 1986 (Pub. L. 99-603)**

If you are an alien who was in this country illegally since before January 1, 1982, you may have been granted lawful temporary resident status by the United States Immigration and Naturalization Service pursuant to the Immigration Reform and Control Act of 1986 (Pub. L. 99-603). For five years from the date you are granted such status you are not eligible for financial assistance from FmHA/RMI in the form of a loan or guaranty unless you are disabled or a Cuban or Haitian entrant. If you sign the certification below, you are stating that the Immigration Reform and Control Act of 1986 does not apply to you, or if it does apply, more than five years have elapsed since you have been granted lawful temporary resident status pursuant to such 1986 legislation.

### **Debarment, Suspension, and Other Responsibility Matters**

The prospective primary participant certifies to the best of its knowledge and belief that it and its principal:

- a) Have not within a three – year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- b) Are not presenting indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph b. of this certification; and
- c) Have not within a three-year period preceding this application had one or more public transaction (Federal, State or local) terminated for cause or default. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective primary participant shall attach an explanation to this proposal.

**Hiring Economically Disadvantaged Individuals**

I (we) certify that every effort will be made to employ economically disadvantaged individuals and that one-third (1/3) of the increased labor force resulting from this financing will be from economically disadvantage households. It is acknowledged that the use of Job Training Partnership Act (JTPA) Programs administered through Private Industry Councils (PICs) and RMI is strongly encouraged to assist in meeting any employment needs.

**Applicant's Acknowledgement and Certification**

My (our) signature(s) acknowledges receipt of the form, that I (we) have read it and that I (we) have a copy for my (our) files. My (our) signature(s) represents my (our) agreement to comply with the requirements FmHA/RMI makes in connection with the approval of my (our) loan request and to comply, whenever applicable, with the hazard insurance, lead-based pain, civil rights or other limitations contained in this notice.

\_\_\_\_\_

Business Name

\_\_\_\_\_ By: \_\_\_\_\_

Date

Name and Title

Proprietor, Partners, Principals and Guarantors

\_\_\_\_\_

Date

Signature

\_\_\_\_\_

Date

Signature

\_\_\_\_\_

Date

Signature

\_\_\_\_\_

Date

Signature

This program is operated in accordance with the U.S. Department of Agriculture policy, which prohibits discrimination on the basis of race, color, sex, age, handicap, religion, or national origin.