



OFFICE OF SMALL BUSINESS DEVELOPMENT

REVOLVING LOAN PROGRAM OVERVIEW

INTRODUCTION

The City of Milwaukee's Office of Equity & Inclusion's (OEI) Revolving Loan Program is designed to assist Small Business Enterprises finance prime and sub contracts awarded to them.

LOAN PROGRAM PARAMETERS

- * Loan will be granted for up to 25% of the total contract dollars, with a maximum of \$35,000 and a minimum of \$3,000.
- * Loan funds may be used for working capital and/or bonding.
- * Loan repayment schedule will coincide with the contract payment schedule.
- * Failure to make payment on the loan will be cause for a firm to lose its SBE Certification status with the City of Milwaukee.
- * 5% fixed interest rate.

ELIGIBILITY REQUIREMENTS

- * Certification by the City of Milwaukee as a Small Business Enterprise
- * Recipient of a City, MATC, MPS or MMSD contract as a prime or subcontractor
- * Maximum of six (6) loans
- * Business must be located in the City of Milwaukee. PO Boxes are not acceptable.
- * At least one (1) new full-time permanent position or full-time equivalent (32+ hours per week) must be created for every loan issued.

LOAN PROCESS

LOAN PROCEDURES

A. Application

1. OEI staff will verify contract award, loan application data and use of loan Proceeds.

B. Loan committee

1. Reviews loan application.
2. Makes a recommendation to approve or reject the loan request.

C. Loan closing

1. OEI staff.
2. Legal counsel.
3. Comptroller's office.

D. Loan management

1. Monitor contract progress.
2. Communication with contracting department.
3. Communication with contractor – loan recipient.
4. Monitor employment status of new hire

E. Loan-closing review

1. Completed contract.
2. Final payment.

For additional information, please contact an OEI staff member at 286-5553.

DOCUMENT REQUIREMENTS

The following is a checklist of requirements that must be provided by the applicant:

- ❑ Notarized Revolving Loan Application & Attachment 1A
- ❑ Documentation of conventional loan denial
- ❑ CDBG Employee Data form for **each** employee, CDGB Business Assistance Agreement form, and CDGB Business Assistance Data form.
- ❑ Copy of contract, either as a prime or subcontractor
- ❑ Business Plan
- ❑ Financial statements for the current year and previous year.
- ❑ Insurance and/or bonding forms
- ❑ Copy of IRS filings for the current year and previous year (Business and personal)
- ❑ Copy of Incorporation papers (if applicable)
- ❑ Copy of City of Milwaukee SBE certificate or approval letter
- ❑ Three business references

Revolving Loan Application

I/WE HEREBY MAKE APPLICATION FOR A LOAN IN THE AMOUNT OF \$ _____

I. Applicant Information

Legal Name of Business:	
Contact Person and Title Held:	
Business Address:	
Telephone Number:	Fax:
List all other business and/ or inventory locations:	

This business is a (choose one):

- Sole Proprietorship
- General Partnership
- Limited Partnership
- Corporation

A. Sole Proprietorship

Name	
Home Address	

B. Corporation

Incorporation in state of _____ on _____

If not a Wisconsin corporation, list date of qualification to do business in Wisconsin: _____

All Stockholders on record as of this application must be listed:

<u>Name</u>	<u>Home Address</u>	<u>Percentage of Ownership</u>

Date business established: _____

IRS Employer Identification Number: _____

IRS Taxpayer Social Security Number: _____

IV

Give detailed descriptions of business operations; including products and/or services rendered:

V. List all outstanding credit obligations for this business:

1. Creditor: _____
 Address: _____
 Guaranteed or insured by: _____ Type of Loan: _____
 Payment Amount: \$ _____ Maturity Date: _____ Rate: _____ Original Amount:\$ _____
 Current Balance:\$ _____ Collateral: _____

2. Creditor: _____
 Address: _____
 Guaranteed or insured by: _____ Type of Loan: _____
 Payment Amount: \$ _____ Maturity Date: _____ Rate: _____ Original Amount:\$ _____
 Current Balance:\$ _____ Collateral: _____

3. Creditor: _____
 Address: _____
 Guaranteed or insured by: _____ Type of Loan: _____
 Payment Amount: \$ _____ Maturity Date: _____ Rate: _____ Original Amount:\$ _____
 Current Balance:\$ _____ Collateral: _____

VII. Legal Counsel representing applicant:

Name: _____
Address: _____ Telephone: _____

VIII. Accountant for applicant:

(Note: Applicant should authorize their accountants to answer any questions and supply any financial information requested by SBE staff.)

Name: _____
Address: _____ Telephone: _____

IX. Bonding Company and Bond Numbers (if necessary for the related contract):

Name: _____
Address: _____ Telephone: _____
Bond Numbers: _____

X. Insurance Company and Policy Numbers (if necessary for the related contract):

Name: _____
Address: _____ Telephone: _____
Policy Numbers: _____

XI. Eligibility of Applicant:

- A. Check only one of the following business types:
- Owner (Sole Proprietorship);
 - At least 51% of the General Partnership;
 - If applicable, at least 51% of the Limited Partnership or
 - At least 51% of the Corporation's stock is owned by person(s) who (for statistical purposes only):

- is female
- is a member of a racial minority group
- is/are member(s) of a disadvantaged group

B. Citizenship (circle appropriate category):

1. Owner – Sole Proprietors:
The owner is a citizen of the United States;
The owner is a resident of the State of Wisconsin.
2. General Partnerships:
At least 51% of the Limited Partnership is owned by persons who are citizens of the United States.
3. Limited Partnership:
At least 51% of the Limited Partnership is owned by persons who are citizens of the United States.
4. Corporations:
At least 51% of the Limited Partnership is owned by persons who are citizens of the United States.

C. This business MUST be certified with the City of Milwaukee:

Certification Date: _____ Expiration Date: _____

XII.

1. IF AN EXISTING BUSINESS, what are the gross annual sales for the past two years: (give the date the fiscal year ends)

Month / Day / Year	Gross sales	Income BEFORE Taxes
Month / Day / Year	Gross sales	Income BEFORE Taxes

2. Attach financial projections for the period covered by the contract or the fiscal year covering the contract period.
3. IF THIS IS A NEW BUSINESS, attach financial projections and state why you believe you will reach these goals.

Contract Number: _____ Total contract amount: \$ _____

Project Manager: _____

Title: _____ Telephone number: _____

Briefly describe the work to be performed under the contract: _____

The work schedule for this contract:
Start date: _____ Completion date: _____

Total number of people you will employ for the performance of this contract:

Existing employees: _____

New employees: _____

Total employed: _____

XIII. Other principal Subcontractors for this contract:

1. Name: _____

Address: _____

Service: _____ Total dollars: _____

2. Name: _____

Address: _____

Service: _____ Total dollars: _____

XIV. Principal Suppliers for this contract:

1. Name: _____

Address: _____

Service: _____ Total dollars: _____

2. Name: _____

Address: _____

Service: _____ Total dollars: _____

XV. Please describe in detail how the dollars applied in this request will be used:

XVI. Please provide a breakdown for the loan amount requested. This amount must equal the amount requested. Working Capital (Payroll, Professional Services, Insurance, Materials, etc. – please specify):

Working Capital:

\$ _____ - Payroll

\$ _____ - Professional Services

\$ _____ - Insurance

\$ _____ - Supplies

\$ _____ - Materials

\$ _____ TOTAL

Fixed and Other Assets (List Equipment and attach price quotes).

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____ TOTAL

Total Loan Amount (*This amount **MUST** equal the loan amount requested*) \$ _____

How will this financing benefit the business?

Why is this loan necessary? What would happen if you did not receive this loan?

XVII. Banking affiliation: _____

Have you previously applied for a loan from your bank? Yes No

Approved Denied

Explain results (why?):

If you were denied a loan for this contract, attach a copy of the letter from the bank.

XVIII. Are there any liens or judgments on this business or its properties? Yes No

XIX. Are there any pending court actions in which this business is involved? Yes No

XX. Provide a list of possible collateral and value other than contract proceeds:

_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____

THE FOLLOWING INFORMATION IS FOR STATISTICAL PURPOSES ONLY:

Of the total number of existing employees listed above, list the number of:

_____ *Minority – race / ethnicity* _____

_____ *Women*

_____ *Non-Minority*

Will this loan help to continue the employment of those persons listed: Yes No

Will this loan increase the employment of minorities and/or women: Yes No

If so, how many minorities: _____ *women:* _____

XXI. Funding for this program is provided by the U.S. Department of Housing and Urban Development to meet specific National Objectives. Please Check A and/or B and at least on subcategory. For the OEI Program these are usually the first one under A. below. SBE staff will assist you with this part of the application:

A. PRINCIPALLY BENEFITTING LOW AND MODERATE INCOME PERSONS

JOB CREATION OR RETENTION (the assistance is directly linked to the creation and retention of permanent jobs, jobs that provide a substantial portion of the employee's income for a significant portion of the year.) **A Job Creation or Retention Plan is attached.**

AREA BENEFIT (usually store front improvements, retail or service businesses).

Please explain your answer:

B. AIDING IN THE PREVENTION OR ELIMINATION OF SLUMS OR BLIGHT

- AREA BASIS
- SPOT BASIS

Please explain your answer:

**THE FOLLOWING INFORMATION AFFIRMS YOUR AGREEMENT TO COMMIT TO HUD
BORROWING TERMS**

Terms of Agreement

The CDGA-funded agency agrees to the following: provide economic development assistance to the named for-profit business; the level of assistance to be provided to the business will be appropriate per permanent jobs to be created; it will adhere to all applicable Federal Regulations and City Policies in providing economic development assistance to the business named in this agreement.

The for-profit business named herein, in exchange for the Economic Development assistance, agrees to create the following jobs, to be held by low/moderate income persons and to obtain and provide the CDGA funded agency with the following information on all persons considered and/or hired as a result of this assistance: income, race/ethnicity, job title, employee home address, date of hire, rate of pay, and number of hours worked (as applicable).

It is fully understood by all parties to this agreement that the business will have the right to determine the qualifications for employment.

Total Number of New Job Creations _____

Job title for each new job created:

1) _____ 4) _____

2) _____ 5) _____

3) _____ 6) _____

(If additional space is needed, attach an additional page listing job titles of newly created jobs)

Business Owner (Signature)

Date _____

Agency Director (Signature)

Date

AFFIDAVIT

I, _____ (duly authorized representative of) _____ (business name)

HEREBY STATE THAT ALL STATEMENTS MADE IN THIS APPLICATION ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE. THERE ARE NO MATERIAL MISREPRESENTATIONS OR MISSTATEMENTS OF ANY INFORMATION CONTAINED HEREIN. I ACKNOWLEDGE THAT THE INFORMATION IS SUBJECT TO VERIFICATION BY GOVERNMENT OFFICIALS. I FURTHER ACKNOWLEDGE THAT UPON AWARD OF ASSISTANCE THE BUSINESS IS OBLIGATED TO PRODUCE THE OUTPUT INDICATED IN THE APPLICATION REGARDING BENEFIT TO LOW AND MODERATE INCOME PERSONS OR AIDING IN THE ELIMINATION OF SLUMS AND BLIGHT. THE BUSINESS AGREES TO PRODUCE THE FOLLOWING: (Check one or more categories:)

CATEGORY

- 1. An Area Benefit
- 2. Job Creation (No. of Jobs To Be Created) _____
- 3. Job Retention (No. of Jobs To Be Retained) _____
- 4. Elimination of Slums or Blight Through:
 - A. Area Basis
 - B. Spot Basis

FAILURE TO COMPLY WITH ALL THE TERMS OF THIS AGREEMENT SHALL CREATE AN OBLIGATION TO REPAY ASSISTANCE AWARDED. THE REPAYMENT OBLIGATION SHALL BE DETERMINED BY SBE AND COULD INCLUDE FULL REPAYMENT OF THE LOAN. WHERE BELOW MARKET INTEREST RATES ARE CHARGED REPAYMENT PENALTIES SHALL INCLUDE REPAYMENT AT MARKET RATES.

_____ BY: _____
DATE TITLE: _____

SIGNED AND SEALED IN THE PRESENCE OF:
PERSONALLY CAME BEFORE ME _____ DAY OF _____, 20____, THE
THIS _____
ABOVED _____ TO ME KNOWN TO
NAMED _____
BE THE PERSON(S) WHO EXECUTED THE FOREGOING INSTRUMENT AND ACKNOWLEDGED THE SAME.

NOTARY PUBLIC

MY COMMISSION IS PERMANENT EXPIRES: _____

TO BE COMPLETED BY SBE STAFF

This application was reviewed by the OEI Manager

Signature: _____ Date: _____

Date of award _____ Amount of award _____ Term _____ Rate _____

LEGAL NAME OF BUSINESS _____

The U.S. Department of Housing and Urban Development requires that we ask the following information:

RACE OF APPLICANT:

African-American American Indian Asian
White Hispanic Other

GENDER OF APPLICANT:

Male Female

OPTIONAL:

Check all that apply:

Is/Are a Member(s) of a Minority Group Historically Deprived of Normal Financial Resources;

Is/Are otherwise impeded from financing because of social or economic factors, such as:

Please explain the basis for the status you have checked:

What other certifications do you have?

MBE County DBE State DOT SBE Other