

Linden Economic Development Corporations [LEDC]

Loan Application Process

- Initial meeting between **LEDC** Director and Applicant:
 - Go over application & business plan
 - Assessment and possible referral to the Northeast Texas Small Business Development Center [**SBDC**] as a resource for additional business plan development

- If the documentation is in good order, the Director will hand it over to the Loan Committee [**LC**]:
 - Documentation to include: Loan Request Form; Credit Application; Business Plan; Financial Statements [including secondary source if needed]; Copies of Federal Income Tax Returns [past 3 years]
 - Scheduling of time for a presentation by the borrower to the Loan Committee
 - Presentations are opportunities for the borrower to “sell” their business concept and increase the potentials for a positive recommendation from the **LC** to the **LEDC**.

- The Loan Committee will then do its due diligence to determine:
 - Ability of applicant to repay the loan
 - Level of risk, which could influence interest rate, collateral requirements & other terms
 - At this point, the **LC** may refer the applicant to the **SBDC**, especially if they identify portions of the business plan that might benefit from **SBDC** guidance, and if the Director had not already referred the borrower earlier in application process.
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- The Loan Committee then makes its recommendations known to the **LEDC** Board of Directors for both the 4A & 4B Corporations, with **LC** members making themselves available during scheduled LEDC Board meetings to answer any questions the **LEDC** Board may have regarding the loan applications under review.

- The **LEDC** Board is the final authority on all loan applications.
All applicants must be current on all taxes

LEDC LOAN APPLICATION

To: Loan Applicant
From: Chairman, LEDC Loan Committee

The LEDC Loan Committee looks forward to working with you as you apply for a business loan. Listed below are some of the items that you will need to provide to assist the committee in the loan application process. It is very important for you to know that we will review your application in much the same manner that any commercial lending institution would review your application, so we ask that you do a thorough job.

One of the most important parts of the application will be your written business plan. If you are not familiar with developing a business plan, there are a number of organizations and agencies that may assist you. The Northeast Texas Small Business Development Center [SBDC], and other resources, can be found in the packet of information accompanying this application. You must be current on all taxes for your loan application to be considered.

Please be prepared to provide the following information:

1. Loan Request Form—attached
2. Credit Application (Sections A-E) —attached
3. Business Plan (developed and provided by applicant)
4. Personal Financial Statement – attached template or you may provide your own
5. Financial Statement from secondary source (developed & provided by applicant if needed) such as other business interests, farm operations, or other sources of income.
6. Copies of your Federal Income Tax Returns (The past 3 years)

This list may be expanded if additional information is required, based on the type of business that you are hoping to finance.

We look forward to working with you!

10/2017

Loan Request Form

Applicant: _____

Will LEDC have 1st Lien on the business property? ___Yes ___ No___

Type of Business: _____

Number of Employees: ___Start-Up ___ After: ___1-year ___2-years ___5-years

Amount of Loan Requested: _____

Desired Monthly Payment Amount: _____

Loan Period: ___1 year ___2 years ___3 years ___4 years ___5 years ___ Other

Assets Proposed for Collateral:

Asset: _____ Value: \$ _____

Asset: _____ Value: \$ _____

Asset: _____ Value: \$ _____

Please provide a brief description of your business and the economic impact your business will have on the Linden economy. Please include the number of employees you will have at start up and at 1 year, 3 years and 5 years. Use additional paper as needed.

LEDC Credit Application					
Type of Credit Requested				For Creditor Use	
IMPORTANT: Check the appropriate boxes below and complete the applicable sections.				Date:	
				Account:	
_____ Secured		_____ Unsecured		Approved by _____	
				Declined by _____	
_____ Individual relying solely on my income or assets					
_____ Joint relying on my income or assets & income or assets from other sources					
Amount Requested	___ Weekly ___ Monthly	_____ # of Months _____ Due Date (1st, 5th, 15th, 30th)	Proceeds of Loan to be used for		
SECTION A: INDIVIDUAL APPLICANT INFORMATION					
Name (Last, First, Middle):					
Birthdate	Telephone	# of Dependents	Ages of Dependents		
Driver's License #	Social Security #				
Address (Street, City, State, Zip)			County	___ Own ___ Rent	How long?
Previous Address (Street, City, State, Zip)			County	___ Own ___ Rent	How long?
Employer (Company & Address)					How long?
Business Phone and Extension:		Position or Title	Salary per month Net: Gross:		
Previous Employer (Company & Address)					How long?
Business Phone and Extension:		Position or Title	Salary per month Net: Gross:		
Name & Address Nearest Relative		Relationship	Telephone #		

Alimony, child support, or separate maintenance income to be considered in loan payment review:
___ Court-Ordered ___ Written Agreement ___ Oral Understanding

Sources of other income and amount per source:

Is income listed in Section A likely to be reduced before the loan is repaid? ___ No ___ Yes, Explain

Have you previously received credit from LEDC? When?

Section B: Joint Applicant or Other Party Information			
Name (Last, First, Middle):			
Birthdate	Telephone	# of Dependents	Ages of Dependents
Driver's License #	Social Security #		
Relationship to Applicant:			
Address (Street, City, State, Zip)		County	<input type="checkbox"/> Own <input type="checkbox"/> Rent How long?
Previous Address (Street, City, State, Zip)		County	<input type="checkbox"/> Own <input type="checkbox"/> Rent How long?
Employer (Company & Address)			How long?
Business Phone and Extension:	Position or Title	Salary per month Net: Gross:	
Previous Employer (Company & Address)			How long?
Business Phone and Extension:	Position or Title	Salary per month Net: Gross:	
Name & Address Nearest Relative	Relationship	Telephone #	
Alimony, child support, or separate maintenance income to be considered in loan payment review: <input type="checkbox"/> Court Ordered <input type="checkbox"/> Written Agreement <input type="checkbox"/> Oral Understanding			
Sources of other income and amount per source:			
Is income listed in Section B likely to be reduced before the loan is repaid? <input type="checkbox"/> No <input type="checkbox"/> Yes, Explain		Have you previously received credit from LEDC? When?	

Section C: Marital Status of Applicants and Other Parties

Applicant	___ Married	___ Separated	___ Unmarried
Other Party	___ Married	___ Separated	___ Unmarried

Section D: Asset and Debt Information

Description of Assets

Checking Account Location & #	Name on Account	Subject to Debt	Value \$
Saving Account Location & #	Name on Account	Subject to Debt	Value \$
Certificates of Deposit (CD's)	Name on Account	Subject to Debt	Value \$
Marketable Securities	Issuer	Type	# of shares
Real Estate (location)	Name on Account	Subject to Debt	Value \$
Life Insurance	Issuer	Face Value	Value \$
Automobiles (make, model, year)	Name on Account	Subject to Debt	Value \$
Other	Name on Account	Subject to Debt	Value \$
	TOTAL ASSETS		

Section D: Asset and Debt Information

Outstanding Debts

(include charge accounts, installment contracts, credit cards, rent, other obligations. Use separate sheet if needed)

Creditor	Account #	Name on Account	Original Amount	Present Balance	Monthly Payment
Landlord or Mortgage	____ Rent ____ Mortgage		Omit Rent \$	Omit Rent \$	\$
Vehicle Make/Model			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$

	Total Debt	\$	\$
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Complete the following Information about the applicant, Joint Applicant, and/or any other person who will secure debt: Are you obligated to make Alimony, Support, or Maintenance Payments? ___ Yes ___ No
 If yes, please provide Name and Address and Amount per Month:

Are you a co-maker, endorser or guarantor on any loan or contract? ___ Yes ___ No
 If yes, please provide Name, Address, and Amount per Month:

Are there any unsatisfied judgements against you? ___ Yes ___ No
 Have you declared bankruptcy in the last 10 years? ___ Yes ___ No
 If yes, where? _____ When? _____

Section E: Secured Credit Information

PROPERTY DESCRIPTION

NAME & ADDRESS OF ALL CO-OWNERS OF THE PROPERTY

IF THE SECURITY IS REAL ESTATE, GIVE THE FULL NAME OF YOUR SPOUSE (if any)

Signatures: I certify that everything I have stated in this application and on any attachment is correct, to the best of my knowledge. You may keep this application whether or not it is approved. By signing below, I authorize you to check my credit and employment history and to answer questions others may ask you regarding my credit record with you. I understand that I must update credit information at your request if my financial condition changes.

Signature

Date

Printed name of Signer

Signature	Date
_____ Printed name of Signer	