

## Fall River Office of Economic Development Business Advantage Fund

**BACKGROUND:** The Fall River Office of Economic Development (FROED) offers businesses located in Fall River, Freetown, Somerset and Westport low-interest financing through its Business Advantage Fund (BAF). This unique gap financing tool complements other private and public loan programs available on a local, state and federal level. FROED works closely with banks and other lending institutions to design incentive packages that fit the needs of individual businesses. FROED's collateral interest is subordinated to principal lender(s). Non Community Development Block Grant Funds are used for lending purpose in areas outside of Fall River.

**HOW IT WORKS:** Under the BAF Program, FROED will provide loans and gap financing, which can be used as part of the total project cost. FROED's portion of the project is generally 50% or less, although in instances where there is a financing gap, FROED's percentage and dollars may be larger.

**INTEREST RATE:** Interest rates will be determined by the loan committee and typically the minimum rate is 5% or 6% if your business is located outside of Fall River.

**FEES:** FROED charges a \$20 application fee upon application submittal (non-refundable)

FROED charges a 1 ½% origination fee at closing for all loans (non-refundable).

Legal fees are 1% of the loan plus recording fees

### **ELIGIBLE BUSINESSES:**

- Manufacturing
- Retail
- Wholesale
- Service
- Non Profit Child Care Centers
- Other Commercial/Industrial

### **ELIGIBLE PROJECTS:**

Loan funds will be used for acquisition of land and buildings; equipment, machinery, furnishings and other fixed assets; and working capital needs.

## **JOB**

**REQUIREMENTS:** FROED requires that a business must demonstrate that it can create a minimum of one job or will retain a minimum of one job for each \$35,000 of Jobs investment in the first two years of the loan. For example, if FROED is contributing \$70,000, FROED requires that at least 2 new jobs be created or evidence that 2 jobs have been retained as a result of these funds. FROED also requires that at least 51% of those jobs are made available to or retained by low and or moderate income individuals.

## **GEOGRAPHIC**

**COVERAGE:** This program provides assistance to small businesses located within the City of Fall River and the towns of Freetown, Somerset and Westport.

## **PROCESS:**

FROED has a Loan Review Committee which meets on an as needed basis. The Loan Review Committee meets on (at least) a monthly basis to approve loan requests. Normally it takes approximately 30 days or less once a complete business plan is submitted to obtain approval. FROED can close on a loan as soon as approval is obtained and all legal documentation is obtained and or prepared by its legal council. The following is a list of information normally required to review a loan application.

- History and description of business;
- Statement detailing exact use of loan proceeds;
- Statement detailing anticipated benefits from proposed financing;
- Balance sheet, profit and loss statement and/or tax returns for previous three years;
- Current balance sheet and current operating statement (not over 60 days old);
- Pro forma balance sheet and projected operating statement for three years minimum (five years preferred), including basis used for sales/income projections;
- Monthly cash flow for first 11 months of operation or three months beyond “break-even” point;
- Names of affiliate and/or subsidiary firm;
- Resumes of principal;
- Listing of all existing business loans/debt including original date and amount, balance owed, interest rate, monthly payment, maturity, security and loan status (current/delinquent);

- Copy of franchise agreement (if applicable);
- Current personal financial statement for each proprietor, partner and officer as well as each stockholder with 20% or more business ownership;
- Resolution from corporation's Board of Directors authorizing the small business concern to borrow (if applicable);
- Number of current employees, by job category, including hourly wage/salary;
- Number of positions to be created, by job category, including hourly wage/salary;
- Description of collateral proposed to secure loan; and
- A certificate of Good Standing for a Corporation or Doing Business As (d/b/a) Certificate filed with the City Clerk's Office.

All of the information submitted for our review must be signed and dated. Please contact the Fall River Office of Economic Development (FROED) with any questions or comments at 508.324.2620.

\* Disclaimer: This loan program and any specific loans are contingent upon the availability of funds. If at any time this funding source is depleted, this loan program and any commitments to fund specific loans may become null and void.

Fall River Office of Economic Development

LOAN APPLICATION INSTRUCTIONS:

- Complete and sign, all forms in this loan application
- Include a comprehensive business plan
- Include the past three years financial state / tax returns (Schedule C)
- Include your own personal tax return for past three years
- Evidence that all City, State and Federal Taxes are current
- Copies of all licenses and permits necessary to operate
- Evidence of bank or other financing (copy of commitment letter)
- Copy of letter of bank denial
- Certificate of Corporate Existence (provided by the Secretary of State, MA)
- Certificate of Good Standing (provided by the Secretary of State, MA)
- Articles of Organization / Incorporation (Certified by Secretary of State, MA)
- Partnership Agreement / Documentation
- Evidence of Sole Proprietorship / Ownership (attach Scheduled C)
- Appraisals (or other acceptable proof of collateral value)
- Return all of the above information as soon as possible, please call immediately with questions.

FOR MORE INFORMATION CONTACT

Fall River Office of Economic Development  
One Government Center  
Fall River, MA 02722-7700  
Tel: 508.324.2620  
Fax: 508.677.2840

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FROED STAFF

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## CREDIT AUTHORIZATION FORM

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

DATE OF BIRTH: \_\_\_\_\_

SOCIAL SECURITY #: \_\_\_\_\_

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

DATE OF BIRTH: \_\_\_\_\_

SOCIAL SECURITY #: \_\_\_\_\_

I (We) authorize the Fall River Office of Economic Development or an agent thereof, to obtain any and all credit information required to process a loan under the Revolving Loan Fund.

\_\_\_\_\_  
Name Date

\_\_\_\_\_  
Name Date

\_\_\_\_\_  
Name Date

## ASSURANCES

The applicant gives assurance of compliance with the Title VI of the Civil rights Act of 1964, as amended. The Act prohibits discrimination on grounds of race, sex, color, religion, marital status, handicap, age or national origin.

The applicant further gives assurances that:

The applicant will comply with Federal and State air and water regulations and obtain all necessary permits and certifications for all environmental requirements.

The applicant warrants that all Federal, State and Municipal tax liabilities are current, and that no assets of the borrower are encumbered due to non-payment of taxes.

The funding of this Project will not result in the relocating of jobs from one labor area to another.

Flood Hazard Insurance will be obtained when needed.

The applicant will insure accessibility to the handicapped for construction projects to which the public will have access.

The applicants will wherever possible give consideration for employment to the long-term underemployed and unemployed residing in this area.

I have read and given these assurances and affix my signature on this  
\_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

Signed: \_\_\_\_\_

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

**REVOLVING LOAN FUND  
APPLICATION  
Small Business Term Loan**

**Fall River Office of Economic Development (FROED)**

**\$20.00** Application fee

*Please Print*

Date \_\_\_\_\_

The undersigned hereby submit(s) application for a loan in the amount of

\_\_\_\_\_ Dollars \$( \_\_\_\_\_ )

For the purpose of \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**BUSINESS RECORD**

Corporation

Partnership

Proprietorship

Name of Business \_\_\_\_\_

Kind of Business \_\_\_\_\_ Telephone No. \_\_\_\_\_

Address \_\_\_\_\_  
(Street) (City or Town) (State) (Zip)

E-Mail/Web Site \_\_\_\_\_

Year Business Established \_\_\_\_\_ Annual Rent \$ \_\_\_\_\_ Lease Expires \_\_\_\_\_

Business Checking Account \_\_\_\_\_  
(Name of Bank)

**PRINCIPALS**

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_

Residence \_\_\_\_\_ S.S. No. \_\_\_\_\_

Residence Telephone No. \_\_\_\_\_ Number of years at present residence \_\_\_\_\_

Number of Dependents \_\_\_\_\_

Previous Residence \_\_\_\_\_

Checking a/c (bank) \_\_\_\_\_ Title of account \_\_\_\_\_

Balance \$ \_\_\_\_\_

Savings or Cooperative a/c (bank) \_\_\_\_\_ a/c no. \_\_\_\_\_

Balance \$ \_\_\_\_\_

Real Estate Owned \_\_\_\_\_ Date Purchased \_\_\_\_\_

Mortgage held by \_\_\_\_\_

Cost \$ \_\_\_\_\_ Valuation \$ \_\_\_\_\_ Original Mortgage \$ \_\_\_\_\_ Present Balance \$ \_\_\_\_\_

Monthly Payments \$ \_\_\_\_\_ Rental Income \$ \_\_\_\_\_

Life Insurance: Face Amount Carried \$ \_\_\_\_\_ Cash Value \$ \_\_\_\_\_

Subject to Loan of \$ \_\_\_\_\_

Other Assets: Securities, Market Value \$ \_\_\_\_\_ Auto (Make & Years) \_\_\_\_\_

The Lender is hereby authorized to make any investigation, permitted by law, of my credit history.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_



Please do not leave any questions unanswered.

**JOBS FOR FALL RIVER, INC.**  
**Fall River, MA 02722**  
 (Name and Address of Lender)

**CONFIDENTIAL**

**PERSONAL FINANCIAL STATEMENT**

Name \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_

For the purpose of procuring and maintaining credit from time to time in any form whatsoever with the above named Lender, for claims and demands against the under signed submits the following as being a true and accurate statement of the undersigned's financial condition on the preceding date, and agree that if any change occurs that materially reduces the means or ability of the undersigned to pay all claims or demands against the undersigned, the undersigned will immediately and without delay notify the said Lender, and unless the Lender is so notified it may continue to rely upon the statement herein given as a true and accurate statement of the financial condition of the undersigned as of the close of business.

ASSETS				LIABILITIES			
Cash on hand and in Banks				Notes payable to Banks - Secured			
U.S. Government Securities - see schedules				Notes payable to Banks - Unsecured			
Listed Securities - see schedules				Notes payable to relatives			
Unlisted Securities - see schedules				Notes payable to others			
Accounts and Notes Receivable Due from relatives and friends				Accounts and bills due			
Accounts and Notes Receivable Due from others - good				Unpaid income tax			
Accounts and Notes Receivable Doubtful				Other unpaid taxes and interest			
Real Estate owned - see schedule				Real Estate Mortgages Payable - see schedule			
Real Estate Mortgages Receivable				Chattel Mortgages and other Liens payable			
Automobiles and other Personal Property				Other debts - itemize			
Cash Value - Life Insurance							
Other Assets - itemize							
				<b>TOTAL LIABILITIES</b>			
				<b>NET WORTH</b>			
<b>TOTAL ASSETS</b>				<b>TOTAL LIABILITIES &amp; NET WORTH</b>			

**NOTICE: Do not include any income from Alimony, Child Support or Separate Maintenance Payments, unless you desire the Lender to rely upon such income.**

SOURCES OF INCOME		PERSONAL LIABILITIES	
Salary	\$	Date of Birth	S.S. Number
Bonus and Commission	\$		
Dividends	\$	Business or Occupation	
Real Estate Income	\$	Partner or Officer in any other venture	
If Alimony, Child Support or Separate Maintenance Payments is included as Income, please advise how received <input type="checkbox"/> Court Order <input type="checkbox"/> Written Agreement <input type="checkbox"/> Oral Agreement		Number of Dependents	
Other Income - Itemize (Do not include any income from Alimony, Child Support or Separate Maintenance Payments, Unless you desire the Lender to rely upon such income.)			
	\$		
<b>TOTAL</b>			

Is any of the Income in the above section likely to be reduced before the credit requested would be paid off?    No  Yes  If Yes, Explain:

(COMPLETE SCHEDULES ON NEXT PAGE)

CONTINGENT LIABILITIES		GENERAL INFORMATION	
As endorser, co-maker or guarantor	\$	Are my assets pledged? - see schedule	
On leases or contracts	\$	Are you a defendant in any suits or legal actions?	
Legal Claims	\$		
Provision for Federal Income Taxes	\$	Personal Bank Accounts carried at	
State Income Taxes	\$		
Other special debt	\$	Are you now or have been involved in bankruptcy proceedings within the past 14 years? Explain:	

SCHEDULE OF U. S. GOVERNMENTS, STOCKS AND BONDS OWNED			
No. of shares or Face value (Bonds)	Description	In name of	Market value

SCHEDULE OF REAL ESTATE MORTGAGES RECEIVABLE				
Description of Property covered	Date of Acquisition	In name of	Amount	Maturity

SCHEDULE OF REAL ESTATE OWNED						
Description of property and improvements	Date Acquired	Title in name of	Cost	Market Value	Mortgage	
					Amount	Maturity

SCHEDULE OF LIFE INSURANCE CARRIED, INCL. N.S.L.I. AND GROUP INSURANCE				
Amount	Name of Company	Name of Beneficiary	Cash Surrender Value	Loans

SCHEDULE OF ASSETS PLEDGED		
Description	Value	To Whom Pledged

(COMPLETE SCHEDULES ON NEXT PAGE)

**GIVE NAMES OF BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED**

Name	Date		Basis

I hereby certify that the facts set forth in this Personal Financial Statement are true and complete to the best of my knowledge. The Lender is hereby authorized to make any investigation, permitted by law, of my credit history.

Signed under the penalties of perjury this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
Signature

## RESOLUTION OF BOARD OF DIRECTORS

1. RESOLVED, that the Officers of the Corporation named below, or any one of them, or their, or any one 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 and under its corporate seal to execute and deliver to JOBS FOR FALL RIVER, INC. d/b/a Fall River Office of Economic Development, One Government Center, Fall River, MA in the form required by JOBS FOR FALL RIVER, INC., the following documents: (a) loan application, the total thereof not to exceed the amount of \$ \_\_\_\_\_, maturing on such date or dates and bearing interest at such rate or rates as may be prescribed by JOBS FOR FALL RIVER, INC.; (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 JOBS FOR FALL RIVER, INC. 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 JOBS FOR FALL RIVER, INC. 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 this Corporation therefore, and may receive and endorse in the name of 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 any acts, including but not limited to, the mortgage, pledge, or hypothecation from time to time with JOBS FOR FALL RIVER, INC. 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 and under its corporate seal or otherwise, any instruments or agreements deemed necessary or proper by JOBS FOR FALL RIVER, INC., in respect of the collateral securing any indebtedness of this Corporation;

3. FURTHER RESOLVED, that any indebtedness heretofore contracted and any contracts or agreements heretofore made with JOBS FOR FALL RIVER, INC. on behalf of this Corporation, and all acts of officers or agents of this Corporation 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:

_____	_____	_____
(Printed Name)	(Title)	(Signature)
_____	_____	_____
(Printed Name)	(Title)	(Signature)
_____	_____	_____
(Printed Name)	(Title)	(Signature)

5. FURTHER RESOLVED, that JOBS FOR FALL RIVER, INC. is authorized to rely upon the aforesaid resolutions until receipt of written notice of any change.

SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, by  
\_\_\_\_\_, its \_\_\_\_\_ duly authorized.

\_\_\_\_\_  
Name/Title

**I. FINANCIAL INFORMATION**

Existing Businesses: Minimum 3 Years of Financial Statements are Required

New Businesses: Comprehensive Business Plan with 3 Years of projected Financial Statements.

Credit Relationships:

<u>Name of Creditor</u>	<u>Purpose of loan</u>	<u>Amount</u>	<u>Bal</u>	<u>Terms</u>	<u>Maturity Date</u>
		\$	\$		
		\$	\$		
		\$	\$		

**II. NARRATIVE INFORMATION**

Please include as much narrative information as possible on your specific business, and the industry as a whole. Include the business history, where the business is at now and where you plan on taking the business in the future. Be very specific about your product and or services and who you sell to. Include all facets of the operation as well as key-personnel, competition, management, market information.

**III. MONTHLY SCHEDULE ALL OBLIGATIONS**

<u>Creditor</u>	<u>Purpose</u>	<u>Amount</u>	<u>Bal.</u>	<u>Mo. Terms</u>	<u>Rate</u>	<u>Maturity Date</u>

**IV. TRADE REFERENCES**

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Contact Name \_\_\_\_\_ Telephone \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
Contact Name \_\_\_\_\_ Telephone \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
Contact Name \_\_\_\_\_ Telephone \_\_\_\_\_

**V. MISCELLANEOUS INFORMATION**

Are Tax Liabilities Current?  YES  NO if YES, provide details under sec. V.  
Is the business an endorser, guarantor, or co-maker for an obligation not listed in the financial statements?  YES  NO if YES, what is the contingent liability?  
Has the business or a principal owner ever declared bankruptcy?  YES  NO if YES provide details under Sec. V.

Is the business or part in any lawsuits?  YES  NO if YES, provide details in Sec. V.  
Are any of the business's assets encumbered by lines or attachments of any type?  YES  NO

What \_\_\_\_\_ By Whom \_\_\_\_\_ Amount \_\_\_\_\_

What \_\_\_\_\_ By Whom \_\_\_\_\_ Amount \_\_\_\_\_

What \_\_\_\_\_ By Whom \_\_\_\_\_ Amount \_\_\_\_\_

Does the business have a pension fund?  YES  NO  
Does the business have a profit sharing plan?  YES  NO

**VI. ADDITIONAL INFORMATION**

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**VII. CERTIFICATION**

The undersigned certified that, to the best of his or her knowledge and belief, all information in this loan application and in the accompanying statements and documents is true, complete, and correct. The undersigned agrees to notify Fall River Office of Economic Development immediately of any material changes in this information. It is further agreed that whether or not the loan herein applied for is approved, the undersigned will pay or reimburse FROED for the costs, if any, of surveys, title or mortgage examinations, appraisals, etc., performed by FROED personnel with the consent of the applicant the undersigned authorizes FROED to contact any bank and trade creditors it deems necessary without further notice.

Business Name (print) \_\_\_\_\_ Date \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_





**Use of Proceeds**

**Loan Requested**

Land Acquisition	\$ _____
Land Improvement	_____
Purchase and/or Remodel Existing Building	_____
New Construction	_____
Purchase and/or Repair of Machinery/Equipment	_____
Purchase of Furniture or Fixtures	_____
Working Capital	_____
Other	_____
<b>Total Loan Requested</b>	<b>\$ _____</b>

**Summary of Collateral Coverage**

Explain Collateral to be used \_\_\_\_\_

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**Value offered to Fall River Office of Economic Development**

Market value of assets as collateral for loan	\$ _____
Less: Prior Liens	_____
Equals: Value of Assets Available to FROED	_____

**Fall River Office of Economic Development**

Less: Amount of Loan	\$ _____
Equals: Collateral in Excess of Loan Amount	_____

**Asset Coverage Ratio**

Assets Available to FROED	\$ _____
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## PRO FORMA INCOME STATEMENTS

### THREE YEAR SUMMARY

	YEAR 1	YEAR 2	YEAR 3
SALES	_____	_____	_____
Less: Cost of Goods Sold	_____	_____	_____
GROSS PROFIT	_____	_____	_____
OPERATING EXPENSES:	_____	_____	_____
Outside Labor	_____	_____	_____
Operating Supplies	_____	_____	_____
Salaries & Wages	_____	_____	_____
Repairs & Maintenance	_____	_____	_____
Advertising	_____	_____	_____
Car & Delivery	_____	_____	_____
Bad Debts	_____	_____	_____
Gen. Off. Admin & Legal	_____	_____	_____
Rent	_____	_____	_____
Utilities	_____	_____	_____
Taxes & Licenses	_____	_____	_____
Interest	_____	_____	_____
Insurance	_____	_____	_____
Depreciation	_____	_____	_____
Miscellaneous	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL OPERATING EXP.	_____	_____	_____
PROFIT (LOSS) PRE-TAX	_____	_____	_____
TAXES	_____	_____	_____
NET PROFIT (LOSS)	_____	_____	_____

***LANDLORD'S CONSENT AND WAIVER OF LIEN***

Premises:

Tenant:

In consideration of Jobs for Fall River, Inc., extended financial accommodations to \_\_\_\_\_ for which Tenants have executed personal Guarantees, the undersigned, being the owner and landlord of the above described premises, hereby agrees to waive any claim against, lien upon or security interest in the equipment described in the Security Agreement, dated \_\_\_\_\_, attached or to be attached to the aforesaid premises and in which Jobs for Fall River, Inc., its successors and/or assigns may have a security interest, but also to waive any claim against or lien upon equipment which may hereafter be described in a Security Agreement attached to or hereafter to be attached to the aforesaid premises until such time as all moneys due on such Security Agreement shall have been paid in full.

The Landlord further agrees to interpose no objections to the entry by Jobs for Fall River, Inc., its successors and/or assigns, upon said premises for the purpose of removing said equipment in the event of default by the tenant under the provisions of said Security Agreement.

Signed and sealed on behalf of the successors and assigns of the undersigned this \_\_\_\_\_ day of \_\_\_\_\_ 20.

\_\_\_\_\_

**COMMONWEALTH OF MASSACHUSETTS**

**BRISTOL, SS.**

**FALL RIVER \_\_\_\_\_, 20**

On \_\_\_\_\_, 20\_\_\_\_ before me, the undersigned Notary Public, personally appeared \_\_\_\_\_, proved to me through satisfactory evidence of identification, which was a current Driver's License, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_