



**Small
Business**

Revolving Loan



A PROGRAM OF THE DECORAH
AREA CHAMBER OF COMMERCE



Program Guidelines and Project Eligibility

Project must be located within the city limits of Decorah, Iowa. *On a case by case basis, the Loan Committee may waive this requirement and provide loan funds to a business located outside the city limits of Decorah if the committee determines doing so is reasonable and will have a positive economic impact on the community of Decorah.*

Projects must have a minimum of 10% personal assets. Conventional lender loans will be used to the extent practical with a goal of at least 50% of the business needs coming from such a lender for all loans over \$5,000. Typical loans range from \$25,000 to \$50,000.

Collateral will consist of assets (e.g. equipment, real estate, etc.) net collateral value (i.e. after prior liens) sufficient to fully secure the loan. The best collateral position available will be assumed for lien position. Personal guarantee and co-signers may be required at the discretion of the board.

Loans can be amortized over a maximum of a seven-year period of time. Loan interest rates will range from a minimum of 3% to a maximum rate not to exceed prime rate by more than 2%. Final determination will be by the Loan Review committee.

Must show evidence that the Revolving Loan Funds are necessary to make the proposed project feasible.

The funds acquired cannot be used to pay off any previous debt.

The proposed project must be presented to the Revolving Loan Fund review committee by the prospective business owner. The presentation must include a business plan appropriate for the business type, including a financial and marketing plan.

Eligible Project activities which can be funded with Revolving Loan Funds include, but are not limited to, land acquisition, site preparation, building acquisition, building construction, exterior building remodeling, interior building remodeling, machinery and equipment, furniture and fixtures, and working capital for business start-up and expansion activities.

Ineligible Project activities:

- To produce agriculture products through growing, cultivation, and harvesting either directly or through horizontally integrated livestock operations except for commercial nurseries, timber operations, or limited agricultural production related to technical assistance programs.
- To finance comprehensive area-wide or city-wide type planning. This does not preclude the use of grant funds for planning for a given project.
- For loans by grantees when the rates, terms, and charges for those loans are not reasonable or would be for purposes not eligible under Proposed Program Guidelines listed above.
- For programs operated by cable television systems.
- To fund a part of a project which is dependent on other funding unless there is a firm commitment of the other funding to ensure completion of the project.
- To fund business which does not meet the USDA definition of Small and Emerging Private business defined as: Any private business which will employ 50 or fewer new employees and has less than \$1 million in projected gross revenues.

Revolving Loan Review Committee & Application Procedure

The Revolving Loan Review Committee shall be comprised of two Decorah Area Chamber of Commerce Board Directors, the Decorah Area Chamber of Commerce Executive Director, one City Council Member, one City Administrator or other appointed city representative, one Decorah-based attorney, the Executive Director of Winneshiek County Development & Tourism, and two representatives from Decorah lending institutions. There will be seven members eligible to vote; the Executive Director of the Decorah Area Chamber of Commerce and the Executive Director for Winneshiek County Development and Tourism will abstain due to conflict of interest. A simple majority will carry.

Applications for the Revolving Loan Fund will be accepted by the Executive Director of Decorah Area Chamber of Commerce. The Revolving Loan Review Committee will review completed applications within 45 days of receipt. Applicants will be formally notified of approval, contingency approval or denial within 12 days of review. There will be a \$100 processing fee for approved loans. In addition, any costs which are incurred due to credit reports, UCC searches, filing legal documents, etc. shall be the responsibility of the applicant.



Application

Contact Information

Name of Business _____

Business Address _____

Name of Business Owner(s) _____

Preferred Phone: _____

Business Email _____

Small Business Information

Federal Tax ID# _____

Date Business Established _____

Please Select Business Type

Individual / Sole Proprietorship

General Partnership

Limited Liability Corporation

Corporation

Limited Partnership

Other

Questionnaire

Is the applicant a United States citizen or entity?	Yes	No
Has the applicant ever been in receivership or bankruptcy?	Yes	No
Is there any legal action pending against the applicant?	Yes	No
Has the applicant ever co-signed someone else's liabilities?	Yes	No
Does the applicant have any taxes in delinquent status or dispute?	Yes	No
Are all state and federal income taxes filed?	Yes	No
Other business names used by the applicant? If yes, list below	Yes	No
Is the applicant a Decorah Area Chamber Member in good standing	Yes	No



Project Summary

Please provide a basic summary of the project or effort that will be funded. Consider including a timeline for the project, level of urgency, vendors/contractors, and (if applicable) opinions from industry experts.

Source of Funds

Please show source of funds. The Revolving Loan is intended to provide gap financing for qualifying projects and is not intended to replace conventional financing that may be available for the project.

Financial Institution Name _____

Payment Amount \$ _____

Frequency _____

Maturity Date _____

Other Source _____

Payment Amount \$ _____

Frequency _____

Maturity Date _____

Other Source _____

Payment Amount \$ _____

Frequency _____

Maturity Date _____

Chamber Revolving Loan Amount Requested _____



Nondiscrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

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Data Collection Information

DATA COLLECTION INFORMATION REQUIRED PER ASSURANCE AGREEMENT ***IMPORTANT NOTICE***

In order to meet the requirements of the Federal Register Vol 62 No. 210, Revision to the Standards for the Classification of Federal Data on Race and Ethnicity, all application forms for Rural Development financed programs must include below the signature and date block the following disclosure statement:

“The following information is requested by the Federal Government for certain types of loans, in order to monitor the lender’s compliance with equal credit opportunity. You are not required to furnish this information, but are encouraged to do so. The law requires that a lender may neither discriminate on the basis of this information nor on whether you choose to furnish it. However, if you choose not to furnish it, under Federal regulations, this lender is required to note race/ethnicity on the basis of visual observation or surname. If you do not wish to furnish the above information, please check the box below.”

_____ I do not wish to furnish this information. Date: _____

Ethnicity

Hispanic or Latino _____

Not Hispanic or Latino _____

Race: (Mark one or more)

White: _____

Asian: _____

Black/African American: _____

America Native Hawaiian or Other Pacific Islander: _____

American Indian/Alaska Native: _____

Gender

Male _____

Female _____



Application Checklist

In addition to this completed application form, please include the following:

1. Personal Financial Statement
2. Business Plan and Description of How Funds will be Used
3. Cash Flow Projection
4. Three Years of Tax Returns

Applicant(s) Signature

X _____
Applicant Signature

Date

X _____
Applicant Signature

Date