

## Iowa Small Business Loan Support Program Application

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### **ISBLSP Eligibility Requirements:**

The Borrower represents that:

- (a) The Borrower is an entity with 500 or less employees; the loan proceeds must be used for a “business purpose.” A business purpose includes, but is not limited to, start up costs, working capital, business procurement, franchise fees, equipment, inventory, as well as the purchase, construction renovation or tenant improvements of an eligible place of business that is not for passive real estate investments purposes. The definition of business purpose excludes activities that relate to acquiring or holding passive investments such as commercial real estate ownership, the purchase of securities; and lobbying activities as defined in Section 3 (7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended. The loan proceeds will not be used to:
  - (1) Repay a delinquent federal or state income taxes unless the Borrower has a payment plan in place with the relevant taxing authority; or
  - (2) Repay taxes held in trust or escrow, e.g. payroll or sales taxes; or
  - (3) Reimburse funds owed to any owner, including any equity injection or injection of capital for business’ continuance; or
  - (4) Purchase any portion of the ownership interest of any owner of the business.
- (b) The Borrower is not:
  - (1) An executive officer, director, or principal shareholder of any Lender in this transaction; or
  - (2) A member of the immediate family of an executive officer, director, or principal shareholder of the Lenders; or
  - (3) A related interest of such executive office, director, principal shareholder, or member of the immediate family.For the purposes of these three Borrower restrictions, the terms “executive office”, “director”, “principal shareholder”, “immediate family”, and “related interest” refer to the same relationship to a Lender as the relationship described in part 215 of title 12 of the Code of Federal Regulations, or any successor to such part.
- (c) The Borrower is not:
  - (1) A business engaged in speculative activities that develop profits from fluctuations in price rather than through normal course of trade, such as dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business; or
  - (2) A business that earns more than half of its annual net revenue from lending activities; unless the business is non-bank or non-bank holding company certified as a Community Development Financial Institution; or
  - (3) A business engaged in pyramid sales, where a participant’s primary incentive is based on the sales made by an ever-increasing number of participants; or
  - (4) A business engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted. (Included in these activities is the production, servicing, or distribution of otherwise legal products that are to be used in connection with an illegal activity, such as selling drug paraphernalia or operating a motel that knowingly permits illegal prostitution); or
  - (5) A business engaged in gambling enterprises, unless the business earns less than 33% of its annual net revenue from lottery sales.
- (d) No principal of the borrowing entity has been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)). For the purposes of this certification, “principal” is defined as “if a sole

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proprietorship, the proprietor; if a partnership, each managing partner and each partner who is a natural person and holds a 20% or more ownership interest in the partnership, and if a corporation, limited liability company, association or a development company, each director, each of the five most highly compensated executives or officers of the entity, and each natural person who is a direct or indirect holder of 20% or more of the ownership stock or stock equivalent of the entity.”

(e) The Borrower authorizes the Lender to report to IFMCV certain loan information as IFMCV may reasonably require.

### **ISB Loan Support Program Application Process**

- 1) Complete the ISB Loan Support Program Application found and supporting documents, including a business plan and summary, financial statements that describe total assets and total liabilities, other documents which demonstrate the Iowa small business's eligibility for the loan and its ability to repay the loan, and an energy audit of the facilities for which the loan is sought (if the loan is proposed to be used to reduce facility costs).
- 2) Submit the **completed** ISB Loan Support Program Application file by email to: [jyates@iowamicroloan.org](mailto:jyates@iowamicroloan.org)
- 3) Mail a copy of **signed** ISB Loan Support Program application and attachments to:

**Iowa Small Business Loan Support Program**

**Jason Yates - Program Administrator**

**P.O. Box 793**

**915 8th St., Suite 205**

**Boone, IA 50036**

**Cell: 515-401-8290**

**Email: [jyates@iowamicroloan.org](mailto:jyates@iowamicroloan.org)**

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### **Application Review Criteria:**

The quality of the Iowa small business's business plan and whether it projects a positive cash flow after the loan repayment.

Cash flow of the Iowa small business.

Credit score and credit history of the principal owner of the Iowa small business and any owners of the Iowa small business with an interest of greater than 25 percent in the Iowa small business. Applicants with a credit score lower than 625 shall not be considered for a loan under this program unless there is a suitable guarantor.

Value and quality of collateral.

Education and experience of the owner of the Iowa small business related to owning and operating a business.

The quality and results of a marketing plan related to the Iowa small business.

The legal history, including any UCC-1 filings, of the principal owner of the Iowa small business and any owners with an interest of greater than 25 percent in the Iowa small business to the extent that history could negatively impact the business.

The administrator may also require additional information from the Iowa small business in reviewing applications made under this program.

The Iowa Foundation for Microenterprise & Community Vitality (IFMCV) will review your loan application, financial information, and business plan and recommend approval or denial for the loan amount.

Please be aware that the entire review process may take 4-6 weeks from loan application submission to funding decision.

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### **Section 1: Individual Applicant Information**

Name (Last, First, Middle)				Email	
Birth Date	Telephone No.	Drivers License #	Social Security No.	Sex (optional)	Race or Ethnicity (optional)
Address (Street, P.O. Box, Apt., City & Zip Code)					County
Previous Address (Street, P.O. Box, Apt., City & Zip Code) If, within past 3 years					County
Current Employer, if applicable (Company Name & Address)					How Long?
Employer Phone	Position or Title			Gross Salary / Mo.	Net Salary / Mo.
Previous Employer (Company Name and Address)					How Long?
Name and Address of Nearest Relative not living with you				Relationship	Telephone No.
# of People in Household	# of Children in Household	Ages of Children		Household Income	

### **Section 2: Joint Applicant Information (if applicable)**

Name (Last, First, Middle)				Email	
Birth Date	Telephone No.	Drivers License #	Social Security No.	Sex (optional)	Race or Ethnicity (optional)
Address (Street, P.O. Box, Apt., City & Zip Code)					County
Previous Address (Street, P.O. Box, Apt., City & Zip Code) If, within past 3 years					County
Current Employer, if applicable (Company Name & Address)					How Long?
Employer Phone	Position or Title			Gross Salary / Mo.	Net Salary / Mo.
Previous Employer (Company Name and Address)					How Long?
Name and Address of Nearest Relative not living with you				Relationship	Telephone No.
# of People in Your Household	# of Children in Your Household	Ages of Children		Total Household Income	

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### Section 3: Business Information (Complete as is applicable for Current/On-Going business **OR** Proposed Start-Up business)

Business Name			Start Date	EIN Number
Legal Form of Ownership (LLC, Sole Proprietorship, Partnership, etc.)				
Business Address (Street, P.O. Box, City & Zip Code)				County
Business Phone	Business Mobile Phone	Business Fax	Business Email	Business Web Site
# of Full-time Employees	# of Part-time Employees	# of Contract Employees		

### Section 4: Current/On-Going Business Information **ONLY** (skip to section 5 if you are proposing a start-up business)

Current business gross revenue last year	Current business taxable income last year
Current business product or service?	How long has this current business been owned by you?

a) In starting your current business, what types of training or technical assistance have you received? (SBDC, business classes, etc.)

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b) What was the source of funding you used for starting your current business?

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### Section 5: Business, Financial, and Management Details

a) Describe in detail the proposed business or expansion being undertaken (Relocation, plant expansion, new product, etc.)

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b) What type of experience / training do you have to operate and manage this business? (Please list previous employment and positions in similar businesses and/or identify specific training programs/courses that you have completed.)

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c) How much money do you need and what will the funds be used for? (Please complete the Use of Loan Funds table that follows.)

Use of Loan Funds	Amount needed
Equipment Purchase	
Fixed Improvements	
Inventory Purchase	

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Professional Fees (attorney, accountant, consultant, etc.)	
Other (specify)	
Other (specify)	
Total Amount being requested from ISB Loan Program	

- d) Payment Calculation: As a part of your business cash flow budget, you need to calculate the payments required to pay off the amount being borrowed in the table above. The interest rate is a fixed rate at 7.5% and the maximum length of the loan is five years. This calculation is only for initial budgeting purposes and may change based upon the actual dates and loan payment frequency. (Please complete the Loan Terms table that follows.)

Here is an internet link to a loan amortization calculator that can determine monthly payments as well as other payment frequencies to help you calculate the payment amount. <http://calcexus.com/amortization-calculator.php>

Loan Terms (assumptions made in cash flow budget)	
Interest Rate	7.5 %
Number of payments required to pay off the loan balance (Maximum = 5 years)	
Payment frequency (Monthly, Annual or Other)	
Payment Amount	

- e) What assets can you offer as security for this loan? (Identify any asset you may have that may be used as security for this loan other than the items listed in table c) above; example: car title, other equipment, etc.)

- f) How much cash and/or co-financed loan funding will you have available to contribute to start-up or expansion? (Please specify how much of each.)

- g) How will you maintain your business records? What system will be used and who will use it to maintain your business records: paper record, accountant, software, etc?

- h) Describe what types of special permits or licenses you will need to operate your business.

- i) Please complete the following table for your employment needs. (A full-time employee is paid at least 40 hours/week.)

Year 1: # of Full-Time Employees	Year 1: # of Part-Time Employees	Year 1: # of Contract Employees
Year 2: # of Full-Time Employees	Year 2: # of Part-Time Employees	Year 2: # of Contract Employees

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- j) Business Site Control – Please describe if you own the site for your business, are purchasing the site, or are leasing the site. If leasing, include the type of lease, terms of the lease, and renewal options.

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- k) Identify and describe, in the table provided below, at least five factors that are critical to the success of your business.

1	
2	
3	
4	
5	

- l) Describe the types, amounts, and sources of your Business Insurance.

Insurance Company	Insurance Type	Insurance Amount

- m) Owners – List anyone holding more than 25% of stock; Proprietors, Partners, Officers, Directors, and Stockholders. These same individuals must also complete a financial statement.

Owners Name	Address	Phone	% of Stock

### **Section 6: Products and Services**

What will your products and/or services be? (Example: Organic Carrots, Freight transport, Housecleaning, Clothing, etc.)

Product/Service	Description

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### Section 7: Marketing Plan

- a) What have you identified as your market area? Some possibilities: city, county, metro area, region, state, interstate, national, internet, etc.

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- b) What are the demographics of customers in your market area? Describe the demographic categories that are important to your market and products/services. Some possibilities: age, income, ethnicity, commuter, industry, etc.

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- c) Who will your customers be and how do you plan to market your product/service to them? Identify a few customer categories and explain how you plan on marketing to each customer type. (Examples: Senior Citizens, Internet Shopper, Teenagers, Professional, Married with kids, Commuters, Minority groups, Contractors, Home owners, Side walk traffic, Drive by traffic, Rural populations, Urban populations, etc.)

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- d) How do your products and services compare to the competition from the standpoint of a customer? Identify two competitors in your market area and √ (check) if they are better or worse as compared to your business.

Factor	Competitor A :		Competitor B :	
	Better √	Worse √	Better √	Worse √
Price				
Quality				
Selection				
Service				
Expertise				
Location				
Sales method				
Credit policies				
Advertising				
Appearance / Image				

- e) Describe how your business is going to be better than those of your competitors.

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- f) How are people going to know about your service or product? Describe the forms of advertising/promotion that you plan to use to promote your business.



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- g) What kind of image are you trying to market to your customer? Identify what the business can do to make sure that image is seen by your customer.

- h) Why have you selected this location for your business? If your business is retail, it may be customer traffic. If your business is industrial, it may be shipping access. If your location is at home, it may be convenience for the owner. If your business is on the internet, it may be a particular web host.

- i) How have you arrived at your sales forecast data for the first year of operation that is used in your first/next year cash flow budget? Explain how you came up with this figure, whether it was from other similar businesses or experience.

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- j) Will your business have seasonal sales? Please describe the product/service seasonal cycle and what you used to base your seasonal sales forecast in your cash flow budget.

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### **Section 8: Financial Documents**

ISB Loan Program has provided a template including the following documents for your use. Click on internet link:

- a) Income Statement (Year 1 and 2)
- b) Balance Sheet (Year 1 and 2)
- c) Cash flow Budget (Year 1)
- d) Personal Financial Statement (for each owner of the business)

There are many forms of financial statements used by various technical assistance providers such as SBDC, SCORE and forms from lenders, business plan training courses, and private consultants. If the forms you are working with include the documents listed above and for the years listed, please feel free to submit those in place of the provided template. If you are submitting a different set of forms than what ISB Loan Program is providing, please identify here the source of the forms being used.

Name	Phone Number	Email

### **Section 9: Your Business Team**

Please feel free to include contact information for individuals you have identified to provide you with advice, counsel, and services to further support your application.

Your Business Team	Team member name	Phone	Email	Did this person assist you in developing your application/business plan?
Insurance Provider				
Finance Source				
Accountant				
Attorney				
SBDC				
SCORE				
Other				
Other				
Other				
Other				

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### Section 10: Attachments

- a) Copy of Iowa drivers license or ID (for each person signing the loan)
- b) Copy of past year's business income statement and balance sheet (if not a start-up)
- c) Copy of past 2 years personal income tax filing (federal tax form) (for each person signing the loan)
- d) Copy of past 2 months payroll stub/record (for each person signing the loan, if employed)
- e) Business Plan
- f) Documentation of any contingent loan approvals

### Section 12: Authorization and Certification

I / We authorize the ISB Loan Support Program, its administrators, and the Iowa Foundation for Microenterprise and Community Vitality to make inquiries as necessary to verify the accuracy of the statements made herein and to determine my / our creditworthiness. I / We hereby certify that all information provided in connection with this ISB Loan Support Program application is to the best of my / our knowledge, true, accurate, **complete**, and current.

Applicant Signature: \_\_\_\_\_ Date \_\_\_\_\_

Joint Applicant Signature: \_\_\_\_\_ Date \_\_\_\_\_

Email the ***completed*** ISB Loan Support Program Application file to: [jyates@iowamicroloan.org](mailto:jyates@iowamicroloan.org)  
***AND***

Mail a copy of ***signed*** ISB Loan Support Program application and attachments to:

**Iowa Small Business Loan Program  
Jason Yates - Program Administrator  
P.O. Box 793  
915 8th St., Suite 205  
Boone, IA 50036**

**Cell: 515-401-8290  
Email: [jyates@iowamicroloan.org](mailto:jyates@iowamicroloan.org)**

**Please allow approximately 10 business days for processing the loan request. Incomplete loan requests will cause processing delays.**