

BRUNSWICK DEVELOPMENT CORPORATION 2018 LOAN APPLICATION OVERVIEW & INSTRUCTIONS

(For Corporations, Non-Profit Corporations, Sole Proprietorships, and Partnerships)

Thank you for your interest in the Brunswick Development Corporation's Loan Program. The Brunswick Development Corporation was established, on February 9, 1995, by the Brunswick Town Council as a local economic development corporation. It was formed to encourage and promote the development of business enterprises within the Town of Brunswick, Maine, for purposes of stimulating economic development in the Town by, among other things, providing incentives for businesses to locate and expand in Brunswick and to construct and expand facilities incorporating new techniques, and for purposes of maintaining and improving the economic health of the Town, lessening the burdens of government, and providing for additional employment opportunities and increased tax base within the Town.

As a part of that mission, the Brunswick Development Corporation typically offers loans ranging from \$10,000 to \$50,000 to Brunswick businesses. If your request falls outside that range, please contact us before completing the attached Loan Application.

(A) DEFINITIONS

The terms "you", "your", and "yours" refer to the Applicant submitting the attached loan Application ("Application") to the Brunswick Development Corporation, and if Applicant is a partnership, other than a limited partnership, the terms refer to all partners.

The terms "we", "our", and "ours" refer to the Brunswick Development Corporation, sometimes referred to as the "BDC".

(B) CONDITIONS FOR ELIGIBILITY

You must satisfy the following Conditions to be eligible for a loan from the BDC:

- You own and operate a business in Brunswick, Maine or plan to do so.
- Your business must comply with all applicable governmental laws, rules, regulations and ordinances, and with any use restrictions to which your business is subject.
- If you are a sole proprietor or a partnership, you reside in Maine and are at least 18 years of age. If you are a corporation, you are authorized to conduct business and you are in good standing in the State of Maine, and your principal place of business is in Brunswick, Maine.
- Your credit and that of your co-signers and guarantors demonstrate a successful repayment history. We use a credit score of 575 or above as a guideline, but there is not a required minimum.
- Neither you nor your co-signers or guarantors are subject to any outstanding or unsatisfied judgments, foreclosures, or federal, state, or local tax claims or liens or other obligations against you or them.
- Your business plan includes creating or retaining jobs in Brunswick.

(C) THE APPLICATION PROCESS

- Submit the original, completed Application, Application Fee, and any attachments with signatures to the BDC's mailing address: Brunswick Development Corporation, 85 Union Street, Brunswick, ME 04011. Facsimile copies and electronic files will not be accepted.
- When the Application with all attachments is received, you will be notified of receipt. If your Application is incomplete, you will be asked to submit the missing information.
NOTE: Submitting incomplete information increases processing time.
- The loan review process evaluates eight criteria: credit, collateral, cash flow, cash contributions, capability, character, creation of jobs, and conditions of your market.

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- If in the sole exercise of our discretion we determine that additional co-signers or guarantors are necessary before we can consider your Application, we shall notify you of that determination.
- When a complete Application is received, a BDC staff member will contact you to explain the BDC Board review and approval process. Loan decisions are made by the BDC Board and will require a presentation by you in addition to the Application.

(D) LOAN UNDERWRITING CRITERIA

To consistently make fair funding decisions, the BDC uses certain underwriting criteria to evaluate Applications, including without limitation, the following:

- **Credit** – Your credit history details money loaned to you, other debts and your borrowing capacity. We take a close look at your credit report and may ask for further explanation of any collections, liens, judgments, bankruptcies, or other items which we, in our discretion, deem to be harmful to your credit.
- **Collateral** – Collateral serves as a secondary source of repayment in the event you are unable to repay all or any part of a loan which we may make to you. We may require as collateral to secure your obligations under any loan which we may make to you collateral any and all vehicles, real estate, and business equipment in which you and your co-signers and guarantors may have an interest.
- **Cash Flow** – We closely examine your business and individual cash availability after paying all monthly expenses. Your ability to maintain consistent cash flow over time is important in our overall analysis.
- **Cash Contributions** - The BDC requires, as a condition to making any loan to you, (1) that you obtain cash contributions from other sources (“Cash Contributions”) in an amount at least equal to the amount of any loan which we may make to you; and (2) the Cash Contributions shall include cash in an amount which you or your co-signers or guarantors shall contribute to your business, as equity and not as a loan (“New Equity Amount”), which shall be no less than Five Percent of the total Cash Contributions.
- **Capability** – We look at your management capability and professional work history. We want to see if your experience supports the role you serve in your business.
- **Conditions of your markets** – Refers to the market conditions of the area your business is located in. These market conditions surrounding your business are just as important as the business itself.
- **Creation of Jobs** – We want our loans to go to businesses creating new job opportunities in Brunswick. We will look at how the funds requested support the creation of new employees in your company and the retention of existing jobs.
- **Character** – Your character holds just as much weight as the other criteria. It informs us of your credibility and your ability to work through a process. Phone and email conversations help us get to know you throughout the application process. Your responsiveness can positively (or negatively) affect your character evaluation. We may also request references.

(E) DIRECTIONS FOR COMPLETING APPLICATION

An Application must be completed *in its entirety* before it is processed. Your initials are required on each page of the Application in the lower right-hand corner. If you are a partnership (other than a limited partnership) all partners must initial and sign the Application. All co-signers and guarantors must initial and sign the Application. Submit the original completed Application, Application Fee and any attachments with signatures to the Brunswick Development Corporation at the mailing address below. Please note that the Application Fee is to cover BDC’s costs in reviewing the Application. In addition to the Application Fee, Applicant shall pay all actual costs incurred by BDC associated with processing and closing the loan, including without limitation, filing and recording fees and attorney fees. At the sole discretion of the BDC, these actual costs may be rolled in as a part of the final total loan amount.

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Make sure that you take the time to submit the most current and accurate information. Please feel free to include any additional information that will help the BDC staff and Board make an informed decision regarding your Application (e.g. photos, documents, news stories, explanations of past credit issues).

NOTE: Any information submitted becomes the property of the BDC and will not be returned.

F. Required Attachments for ALL Loans

	Checklist	X
F.1	Signed and initialed Application	
F.2	Business plan, including two years of (a) financial projections, (b) projected income statement and balance sheet with assumptions, (c) brief marketing assessment and plan	
F.3	Documentation of proposed collateral (copy of car title, deeds, etc.), copies of mortgages and security agreements pertaining to collateral	
F.4	12-month projected cash flow statement	
F.5	Copy of tax returns (most recent two years) of Applicant, all co-signers and guarantors	
F.6	Copy of Sole Proprietorship, Partnership Agreement, LLC or Articles of Incorporation filing; Certificate of Good Standing, Trade Name Certificate, Authority to do Business in Maine if needed, Tax Exemption Certificate, if applicable.	
F.7	Personal Financial Statement of Applicant, all co-signers and guarantors, current within 90 days of application	
F.8	Resume(s) of key management	
F.9	Personal credit rating score from Equifax, Experian or Transunion, current within 90 days of application	
F.10	Identify (a) new jobs to be created in Brunswick by Applicant during the three year period following the date of the making of the loan, including job description and salary range of each new position, and hiring dates; and, (b) existing jobs maintained by Applicant in Brunswick on date of Application, including title, job description, and salary range of each <i>(a worksheet is attached for your convenience)</i>	
F.11	Copy of lease agreement, insurance policy and licenses (if applicable)	
	In addition to the list above, existing businesses are required to submit:	
F.12	Business tax returns (most recent two years)	
F.13	Profit/loss statement (most recent quarter end & most recent year end)	
F.14	Non-refundable application fee equal to 1% of the amount of the requested loan	

Submit original application, all attachments, and application fee by mail to:

Brunswick Development Corporation
85 Union Street
Brunswick, Maine 04011

Questions? Call 1-207-721-4123 or email bdc@brunswickdevcorp.org

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Schedule F-10.

Please list the title of the position; check whether it is existing or new position; if new, indicate whether you anticipate creating the job in years 1, 2 or 3; indicate the hourly wage or if salaried, the weekly salary; and, provide a brief description of the job. You are welcome to attach job descriptions as additional pages.

Job Title	Existing	New	Year 1	Year 2	Year 3	Hourly Wage or Weekly Salary	Brief Position Description
1.							
2.							
3.							
4.							
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