



Your Source for Small Business Lending
CHARLESTON LOCAL DEVELOPMENT CORPORATION
An Equal Opportunity Lender

Small Business Disaster Recovery Loan Program

An LDC Small Business Disaster Recovery Loan Program loan proceeds can be used for securing a damaged building, purchasing generators, replacing perishable inventory, paying salaries and meeting other business continuity needs.

The 180-day short-term note will be repaid when funds are received from the SBA disaster assistance program, insurance or other traditional lenders, or from an alternative LDC program. The maximum loan amount is \$10,000. No interest will be charged on the initial funding of \$5,000; a rate of 4% interest on any amount over \$5,000.

Application Checklist

<u>Check</u>	<u>Document or Information</u>
_____	A summary of the amount of the loan that is being requested and the uses to which the borrowed funds will be applied*
_____	A description of the business, years in operation and the company's products or services*
_____	A summary of management and staffing team, including payroll amounts*
_____	A description of the company's facilities, lease arrangements and a description of damages, if any *
_____	Federal tax returns and audited financial statements from the prior year and the latest unaudited financial statements for the business and a personal financial statement for each owner
_____	A list of the company's collateral being offered as security for the loan, with an estimate of the current market value of each item*
_____	Copies of the company's articles of incorporation, bylaws, corporate resolutions, business license and pertinent legal agreements
_____	A summary description of the company's insurance coverage
_____	A list of the names and addresses of the company's existing lenders, attorneys and accountants *
_____	A completed LDC Small Business Disaster Relief Program Loan application, including all signed forms*

* denotes topics that are included in the LDC's application

NOTE: Other documentation may be required to support the application, such as a copy of contracts, letters of reference, bank letter of commitment, credit reports, etc. These will be required as deemed necessary by the Charleston Local Development Corporation's Staff.

For LDC Staff Use

Application received on: _____ by _____

Loan Program (s): _____



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CHARLESTON LOCAL DEVELOPMENT CORPORATION

I. LOAN APPLICANT INFORMATION

Business Name: _____ **Loan Amount: \$** _____

Business Owner's Name: _____ **SS#:** _____

% of ownership: _____ **Sex: *** _____ **Ethnicity: *** _____ **Proof of US Citizenship** _____

Personal Address: _____

City _____ **ST** _____ **Zip** _____ **County** _____

Phone: _____ **email:** _____

Additional Owner's Name: _____ **SS#:** _____

% of ownership: _____ **Sex: *** _____ **Ethnicity: *** _____ **Proof of US Citizenship** _____

Personal Address: _____

City _____ **ST** _____ **Zip** _____ **County** _____

Phone: _____ **email:** _____

US Citizenship can be shown through a US passport or a Social Security card and a government issued ID.

This 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 no 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 this box. **If more than two individuals have an interest in the company, use an additional sheet to provide the same information for each person.*

Have you or any principal owners ever been convicted of any criminal offense (other than a minor motor vehicle violation) or are currently under indictment, on parole, or on probation? (yes / no) _____ If yes, please furnish details in a separate exhibit.

II. COMPANY INFORMATION

Business Name: _____

Business Address: _____

City _____ SC _____ Zip _____

Website Address: _____ Year Started _____

Bus. Tel. Number: _____ Bus. Fax Number: _____

Employer I.D. #: _____ Sole Proprietor ____ Corporation ____ Partnership ____ LLC ____

Briefly describe your business and its products and services: _____

Briefly describe the Management Team, number of employees and weekly payroll: _____

Briefly describe the Company's facilities, lease arrangements and description of damages, if any: _____

Attorney's Name: _____

Accountant's Name: _____

Firm: _____

Firm: _____

Address: _____

Address: _____

City _____ State _____ Zip _____

City _____ State _____ Zip _____

Telephone: _____

Telephone: _____

III. USE OF PROCEEDS

Loan Amount: _____ Proceeds Uses: _____

Please list the assets you intend to purchase for your business project and the corresponding cost estimates.

IV. COLLATERAL

If you are offering land or a building for collateral, be sure to provide a recent appraisal for these properties. If you are pledging machinery and equipment, furniture and fixtures, and/or other assets, please provide an itemized list that contains serial and/or identification numbers for all articles. **Also include a statement from a qualified supplier or appraiser concerning the value of the items and the useful life of each item.**

<u>Collateral</u>	<u>Present Market Value</u>	<u>Present Loan Balance</u>	<u>Value Supplied By:</u>
Land and Building			
Machinery & Equipment			
Furniture & Fixtures			
Other			
Total			

V. THE BUSINESS' EXISING DEBT

1). Loan amount: \$ _____ Lender: _____
Interest rate: _____ % Term: _____ Maturity Date: _____
Collateral Pledged: _____

Do you currently have an outstanding balance with the Small Business Administration (SBA) or with a SBA Intermediary Lender? Yes____ No____

If yes please give the name, address, remaining balance and use of SBA proceeds on a separate sheet.

VI. INSURANCE INFORMATION

Have you contacted your insurance company? Yes____ No____

Will you be receiving insurance proceeds for damaged property? Yes____ No____ If so, approximately \$_____

Do you have business interruption insurance? Yes____ No____ Will you be receiving insurance proceeds for business interruption? If so, approximately \$_____

Have you made application for a disaster loan through the SBA? Yes____ No____ In what amount? \$_____ If not, do you need assistance in completing the necessary paperwork? Yes____ No____

Insurance Company_____

Agent's Name:_____ Policy # _____

Firm:_____

Address:_____

City _____ State _____ zip _____

Telephone:_____

VII. D/M/WBE INFORMATION

Are you presently certified as a disadvantaged, minority or woman-owned business enterprise?

Yes _____ No _____

If yes, please attach a copy of the D/M/WBE Certificate from the reviewing authority.

VIII. BUSINESS ACKNOWLEDGEMENTS

I understand that this application has been prepared solely for determining my business' eligibility for funding from the Charleston Local Development Corporation (LDC). I understand that any false statements or misrepresentations made on this application are cause for rejection of this application and prohibition of me or my business from participation in this or any other programs offered by the LDC.

I also acknowledge that any discussions with or any information given to any LDC employee regarding this application prior to receipt of a formal commitment letter from the LDC committing a specific amount of funds to the project, is only for program information and may not be considered a binding commitment on the part of the LDC to provide funds or technical assistance to the project.

I acknowledge that any costs incurred prior to receipt of a formal commitment letter from the LDC committing a specific amount of funds to the project and subsequent closing is at the risk and expense of the applicant.

IX. AUTHORIZATION

I hereby authorize the LDC to obtain and/or to furnish and release to/from all proper institutions any information pertaining to this application for assistance.

Applicant Signature and Title

Date

Applicant Signature and Title

Date

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the USDA, Director, Office of Civil Rights, Washington, D.C. 20250.

Please return your completed application with a non-refundable application fee of \$75.00 (with an extra \$25.00 for each additional owner) (NOTE: An existing business requires an additional \$135 application fee) to: **Charleston Local Development Corporation 75 Calhoun Street, 3rd Floor Charleston, SC 29401 (843) 724-3796**

SBDRLP APP (8/08)

CERTIFICATIONS AND ASSURANCES

In consideration of a loan from the Charleston Local Development Corporation, the Applicant hereby assures and certifies that it will comply with all regulations, policies, guidelines and requirements as they relate to the application, acceptance and use of LDC loan proceeds for this project. In addition, the Applicant assures and certifies with respect to the consideration, approval and use of a loan that:

1. The Applicant possesses the legal authority to apply for the loan, that a resolution, motion or similar action has been duly adopted or passed as an official act of the Applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the Applicant to act in connection with the application, and to provide such additional information as may be required.
2. The Applicant will comply with:
 - a. Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 42 U.S.C. 2000-d), which prohibits discrimination on the basis of race, color or national origin;
 - b. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of handicap;
 - c. The Discrimination of Age Act of 1975, enacted as an amendment to the Older Americans Act (Public Law 94-135), which prohibits unreasonable discrimination based on age; and
 - d. Title IX of the Educational Amendments of 1972 (20 U.S.C. 1681, et seq.), which prohibits discrimination on the basis of sex in education programs and activities, including those not offered or sponsored by an educational institution.
3. The applicant will comply with the minimum wage and maximum hours provisions of the Federal Fair Labors Standards Act (29 U.S.C. 201).
4. The Applicant will insure, pursuant to Executive Order 11738, the facilities under its ownership, lease or supervision, which shall be utilized in the accomplishment of this project or result from this project are not listed on the Environmental Protection Agency (EPA) list of Violating Facilities, and that it will notify the LDC promptly upon receipt of any communication for the EPA that a facility to be utilized or result from the accomplishment of this project is under consideration for listing by the EPA.
5. The Applicant will comply, to the extent applicable, with all requirements of Section 114 of the Clean Air Act, as amended (42 U.S.C. 1857, et seq.) and Section 307 of the Federal Water Pollution Control Act (33 U.S.C. 1857, et seq.), respectively, relating to inspection, monitoring, entry, reported, and information, as well as other requirements specified in Section 114 and Section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder.
6. The Applicant will comply with the provisions of Executive Order 11990, relating to the protection of wetlands.
7. The Applicant will comply with the provisions of Executive Order 11988, relating to floodplain management.
8. The Applicant will comply with standards for environmental quality control that may be prescribed pursuant to responsibilities of the Federal Government under the National Environmental Policy Act of 1969 (Public Law 91-190) and Executive Order 11514, Protection and Enhancement of Environmental Quality as amended by Executive Order 11911.
9. The Applicant will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (Public Law 93-234, 42 U.S.C. 4106 and 4128, 87 Stat. 975), which requires the purchase of flood insurance in communities where such insurance is available, as a condition of a LDC Loan, such as having been identified by the Secretary of Housing and Urban Development as areas having special flood hazards.
10. The Applicant will comply with Section 106 of the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470), Executive Order 11593 and the Archaeological and Historical Act (16 U.S.C. 469a-1 et seq.) by (a) consulting with the State Historical Preservation Officer as necessary to identify properties which may suffer adverse effects as a result of this project and notifying LDC of the existence of any such properties and by (b) complying with all requirements established by the Economic Development Administration to avoid or mitigate adverse effects upon such properties.
11. The Applicant will comply with the equal opportunity clause prescribed by Executive Order 11246, as amended, and will require that contracts and subcontracts which have or are anticipated to yield in excess of \$10,000 within 12 months of carrying out this project, include such clause.

12. The Applicant will maintain its legal entity in good standing with applicable federal, state and local laws and requirements regulating the conduct of its business, including the payment of all taxes, fees and other charges, and the maintenance of all requisite licenses and any other government authorizations necessary for the continued operation of the Applicant's business.
13. The Applicant will not, for a period of two years after the closing of this loan, employ or tender any office or employment to, or retain for professional services, any person who, on the date of closing or one year prior to said date (1) shall have served as an officer, attorney, agency or employee of LDC, (2) any person who is of a blood relationship to any member of the LDC, or the LDC staff, and (3) as such, shall have occupied a position or engaged in activities which the LDC shall have determined, or may determine, involved discretion with respect to the granting of this loan.
14. The Applicant assures it is not relocating any present operation as a result of this project. Further the Applicant (including "affiliate, etc." as shown above) has not discontinued, liquidated or curtailed production at a similar facility to that proposed in this project within the past two years. In addition, the Applicant assures that the project will not result in a decrease in employment at facilities under its control elsewhere.
15. The Applicant has authorized the LDC to investigate the character and credit backgrounds of all individuals and entities which have been, are, or will be in any way involved in the carrying out of the project for which a LDC loan is sought. Further, in the course of securing participants in the project, the LDC is authorized to divulge such information as the LDC deems necessary and appropriate, which is available to the LDC.
16. The Applicant waives any and all claims it may have against the LDC, members of its Board of Directors or Loan Committee, its staff and/or its agents, arising out of or in any way related to any technical and/or management assistance provided by them.
17. The Applicant will approach and work with appropriate employment and training entities, in the interest of making job opportunities resulting from the project available to the long-term unemployed and low-income persons as well as others in the area.
18. Neither the Applicant, nor any officer, board member nor owner of any interest in the Applicant is/are related by blood, marriage or law to any LDC officer, or member of LDC's Board of Directors who has loan approval authority.
19. Construction financed in whole or in part by the applicant will meet the requirements of the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5).

The Applicant certifies that any and all information submitted by it in connection with its request for a loan from the LDC, has been true and complete to the best knowledge and belief of the Applicant, and agrees to notify LDC immediately of any changes or additions to said information.

Date: _____

Borrowing Entity

Authorized Signatory

Print Name and Title

CONFLICT OF INTEREST CERTIFICATION

Pursuant to the undersigned's desire to enter into a contractual financial relationship, the purpose of which is to obtain financing, the undersigned does hereby certify to the Charleston Local Development Corporation and acknowledge the following understandings:

- (A) The borrowing entity or any owner of interest in the borrowing entity is not related by blood, marriage, law, or business arrangement to any officer, employee or director of the Charleston Local Development Corporation.
- (B) No officer, employee, director or person related by blood, marriage, law or business arrangement to an officer, employee or director of the Charleston Local Development Corporation shall receive any benefit resulting from the use of loan funds, unless the affected party has first disclosed on the public record the proposed or potential benefit and receives written determination by the Charleston Local Development Corporation that the benefit is not so substantial as to affect the integrity of the loan decision process or the services of the officer, employee or director.
- (C) An officer, employee or director of the Charleston Local Development Corporation has not solicited or accepted, directly or indirectly, any gift, gratuity, favor, entertainment, or any other item of monetary value for himself or for another person, from any person or organization seeking to obtain a loan.

These above covenants are acknowledged and agreed to this date of _____, 20____ and shall remain in effect so long as the loan is outstanding.

Borrowing Entity

Authorized Signatory

Print Name and Title

CREDIT REQUEST AUTHORIZATION

Please include a copy for each owner of 20% or greater

In conjunction with this loan application from _____, I authorize the LDC to verify any information contained in the loan application. Therefore, the LDC is authorized to request any and all information on current and past accounts, both personal and corporate, for use in connection with this loan application.

Owner's Name

Signature

Date

Home Address

City State Zip Code

Telephone Number

Social Security Number

**Certification Regarding
Debarment, Suspension, Ineligibility and Voluntary Exclusion
Lower Tier Covered Transactions**

This certification is required by the regulations implementing Executive order 12549, Debarment and Suspension, 13 CFR Part 145. The regulations were published as Part VII of the May 26, 1988 *Federal Register* (pages 19160-19211).

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations (13 CFR Part 145).
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
 - (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
 - (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Business Name _____

Date _____

By _____
Name and Title of Authorized Representative

Signature of Authorized Representative

CHILD SUPPORT DISCLOSURE

Borrower certifies that no principal who owns at least 50% of the voting interest of the company is delinquent more than 60 days under the terms of any (a) administrative order, (b) court order, or (c) repayment agreement that requires payment of child support.

Applicant

Applicant

Date

AUTHORIZATION AND PERMISSION

(Not required for lending purposes)

I hereby authorize and give permission to the Charleston Local Development Corporation (the "LDC") to use my name, any visual images of me, including video footage with sound, and information about me relating to the business _____ ("the business") in marketing the LDC and its programs.

I also hereby authorize and give permission to the LDC to use the name, address, description of, and any visual images of the business, including video footage with sound, in marketing the LDC and its programs to include its website.

I expressly understand that the authorization and permission given herein by me to the LDC is for all types of marketing including, but not limited to, marketing through radio, television, pamphlets, flyers, brochures, posters, newspaper articles, periodical articles, video documentary, and all other forms of written, verbal and visual communication to include its website.

I have read the attached article(s) and reviewed the accompanying photograph(s) regarding me and the business, and I hereby approve of the article(s) and photograph(s), and I authorize and give permission to the LDC to publish the article(s) and photograph(s).

I understand I will receive no royalties, fees or compensation in exchange for the LDC's use of me and/or the business for marketing as mentioned hereinabove.

The LDC is a not-for-profit corporation that provides both technical and financial assistance to small businesses. In order to provide the assistance, the LDC borrows funds from various sources – including federal sources. As such, the South Carolina Freedom of Information Act (FOIA) requires the LDC to disclose information that is not exempt under the law, if such information is requested in writing.

WHEREFORE I SET MY HAND AND SEAL on this the ____ day of _____, _____:

Signature, both individually and as a duly authorized representative for
the business



MINIMUM CREDIT CRITERIA REQUIREMENTS POLICY

Prior to a loan package being prepared for review by the Loan Committee and subsequently by the Board of Directors, a request must exhibit the following minimum credit requirements:

Credit - When there are credit discrepancies, the following must be presented in each case:

- Judgment – proof of satisfaction
- Tax lien – proof of lien paid in full
- Charge off – proof of item having been paid
- Repossession – proof item paid off in full
- Bankruptcy – the LDC will not consider a loan request if there is a Bankruptcy in the credit history in the most current seven years
- Collection action – proof of payment

In all above credit situations, a written explanation of the circumstances regarding a particular discrepancy will be required as part of the file.

Collateral - acceptable collateral, as outlined in the LDC Policy and Procedures Manual, must be offered to secure the loan. A copy is attached.

Capital - equity injection by the Borrower must be at least 10% of the loan request and if the business is a start-up, 20% equity is required.

Capacity - if the cash flow from operations does not support debt service, the Borrower must have a secondary source of repayment.

Character - the LDC will not consider loan requests to individuals who are incarcerated, on parole, on probation, or have a police investigation pending against them. Individuals with criminal records will be required to provide paperwork, which states the final disposition of the case.

If there are minimum requirements, which are not met, in any of the above categories, the prospective Borrower may present another individual as an individual guarantor for the loan. The proposed guarantor must be willing to provide the necessary paperwork and to submit to a credit report.

Besides credit criteria, individuals must meet eligibility requirements for each loan program.

If review requirements are not met, the loan request will not be prepared for submission to the Loan Committee. In these cases, LDC staff is authorized to inform the applicant that the minimum requirements for review have not been met and the loan request will not be prepared for review by the Loan Committee.



COLLATERAL REQUIREMENTS POLICY STATEMENT

The Charleston Local Development Corporation (LDC) requires collateral for all of its loans. Items and conditions which will be considered acceptable for offering as security for a LDC loan are:

- Real estate – There must be sufficient equity in order for a mortgage to be placed on the property
- Liquid marketable securities
- Vehicles – the NADA guide will be used to determine value
- Fixtures, furniture, machinery and equipment (only 50% of appraised present value of each item will be considered)
- Hypothecated collateral by third party
- Life insurance

The LDC will not accept the following as collateral for a loan:

- Inventory
- Accounts receivable – In only certain cases, when contracts are involved, will the LDC consider accounts receivable as collateral for a loan.
- Notes receivable

All collateral will be evidenced by liens, assignments or other appropriate actions. The LDC programs require that the LDC has a lien position on all assets purchased with proceeds of a loan. Although some items are not acceptable as collateral to secure a loan, a UCC filing may evidence a lien on those items because they were either purchased with the loan proceeds or were a result of the organization receiving a loan with the LDC.