

Pre-Application Checklist

Instructions: (1) Begin by inserting appropriate information in the header below. (2) When submitting the pre-application, check “yes” boxes for those actions which have been done. (3) Before submission, verify each box is checked “yes” and all necessary documents are included.

Pre-Application Submission Documents	Included	
	Yes	No
A. Pre-Application Form – <i>signed by both lender and borrower</i>		
B. Amount of borrower’s Tangible Balance Sheet Equity		
C. Financial statements for <i>existing</i> businesses:		
a. Current balance sheet (not more than 90 days old)		
b. Profit and loss statement (not more than 90 days old)		
c. Financial statements for the borrower and any parent, affiliates, and subsidiaries for the last 3 years		
D. Form 4279-2 : Certification of Non-Relocation & Market Capacity Information Report – <i>if loan is > \$1 million AND there is more than a 50-employee increase</i>		
E. DUNS Number – <i>as soon as available</i>		

Business & Industry Loan Guarantee Pre-Application

Borrower Information

Name	
	<i>Business/Corporate Name</i>

Address	
	<i>Street P.O. Box City State Zip Code</i>

Organization Type:	Federal Tax ID Number:
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Contact Person		Contact Phone	
Contact E-mail			

Amount of Loan Request:	Percentage of Guarantee Requested:
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Loan Interest Rate & Terms:

Proposed Collateral & Estimated Value:

Use of Funds	Borrower Contribution	B&I Loan	Other	Total
Total =				

Proposed Lender Information

Name	
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Address	
	<i>Street P.O. Box City State Zip Code</i>

EIN:

Contact Person		Contact Phone	
Contact Email			

Project Information

Project Description	
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**Please refer to the Pre-app Checklist to ensure that you have completed and compiled all necessary information for a complete pre-application.*

Products	
Services Provided	
Availability of Raw Materials	
Availability of Supplies	

Type of Jobs Created		No. of Jobs Created	
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Takeout of Interim Financing? **Yes** **No**

If Yes	<p>Proposed project will be used to pay off lender's interim loan and will NOT be treated as debt refinancing, provided a complete pre-application or application, which proposes such interim financing prior to completing the interim loan is submitted to the Agency.</p> <p>Lender is advised that the Agency assumes no responsibility or obligation for interim loans advanced prior to the conditional commitment being issued.</p>
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Corporate Borrowers

Corporate Parent (if any)

Name:	Description of Relationship:
Address	
<i>Street</i>	<i>P.O. Box</i> <i>City</i> <i>State</i> <i>Zip Code</i>

Subsidiaries (if any)

Name:	Description of Relationship:
Address	
<i>Street</i>	<i>P.O. Box</i> <i>City</i> <i>State</i> <i>Zip Code</i>

Affiliates (if any)

Name:	Description of Relationship:
Address	
<i>Street</i>	<i>P.O. Box</i> <i>City</i> <i>State</i> <i>Zip Code</i>

Lender Signature:	Date:
Borrower Signature:	Date:

**Please refer to the Pre-app Checklist to ensure that you have completed and compiled all necessary information for a complete pre-application.*

Application Checklist

Instructions: The following submission list provides the items necessary for a *complete* application. (While a pre-application is not required, Rural Development strongly advises borrower to submit a pre-application before proceeding on to the application for project eligibility.)*

Application Submission Documents	Included	
	Yes	No
A. Application Form RD 4279-1 Parts A and B – signed by both lender and borrower		
B. Information required for a Pre-Application – if a pre-app was not already filed		
C. DUNS Number – needed to complete Block 13 on Form RD 4279-1		
D. AD Form 3030 – Representations Regarding Felony Conviction & Tax Delinquent Status for Corp. Applicants		
E. Environmental Report or Assessment - Prepared in accordance with 7 CFR 1970 (Work with your RD representative to determine what is required for this project.)		
F. State Historical Preservation Office Notification (SHPO)		
G. TSQ or Phase 1 due diligence – needed if taking RE as collateral		
H. Flood Plain Map – FEMA map		
I. Flood Hazard Determination – OMB 3067-0264		
J. Personal credit reports, obtained by the lender , from an acceptable credit reporting company, for each of the following owning 20% or more interest in the applicant: (exceptions include those corporations listed on a major stock exchange) <ul style="list-style-type: none"> a. Partner b. Officer c. Director d. Key Employee e. Stockholder 		

*All financial information must be prepared in accordance with Generally Accepted Accounting Principles (GAAP).

Application Submission Documents	Included	
	Yes	No
K. Commercial Credit Reports, obtained by the lender – i.e. Dun & Bradstreet, of the borrower and any parent, affiliate, and subsidiary firms		
L. Appraisal (<12 months old), accompanied by a copy of the appropriate environmental site assessment (conditional commitment issuance subject to receipt of adequate appraisals)		
M. Lender’s technical review of appraisal		
N. Financial statements for <i>existing</i> businesses: <ul style="list-style-type: none"> a. Current balance sheet (not more than 90 days old) b. Profit and loss statement (not more than 90 days old) c. Financial statements for the borrower and any parent, affiliates, and subsidiaries for the last 3 years d. Pro-forma at start-up/closing e. Form 4279-2* – Certification of Non-Relocation & Market Capacity Information Report (*if loan is more than \$1 million AND there is more than a 50-employee increase) f. 2-year projections with supporting assumptions, including: <ul style="list-style-type: none"> • Balance sheet • Income statement • Cash flow 		
O. Lender’s written analysis of the following: <ul style="list-style-type: none"> a. Spreadsheets of the balance sheets and income statements for the previous 3 years (for existing businesses) b. Pro forma balance sheet at start-up c. 2 years projected year-end balance sheets and income statements, with appropriate ratios and comparisons with industrial standards (i.e. Dun & Bradstreet or Robert Morris Associates) <ul style="list-style-type: none"> • All data must be in total dollars and also common size format, obtained by expressing all balance sheet items as a percentage of assets, and all income and expense items as a percentage of sales. d. Necessity of any debt refinancing e. Tangible balance sheet equity requirement – calculated by removing all intangible items from balance sheet f. Average hourly wage rate for jobs created – used for scoring purposes g. Borrower’s <ul style="list-style-type: none"> a. Management ability b. Repayment ability, including a cash-flow analysis c. History of debt repayment 		
P. Guarantor’s: <ul style="list-style-type: none"> a. Current <i>personal</i> financial statements b. Current <i>corporate</i> financial statements 		

*All financial information must be prepared in accordance with Generally Accepted Accounting Principles (GAAP).

Application Submission Documents	Included	
	Yes	No
Q. Proposed Loan Agreement		
R. Business Plan – required for all applications, including refinance *omit if provided in the feasibility study a. Description of the business and project b. Management experience c. Sources of capital d. Products, services, and pricing e. Marketing plan f. Proposed use of funds g. Availability of labor, raw materials, and supplies h. Contracts in place i. Distribution channels j. Names of any corporate parent affiliates and subsidiaries with a description of the relationship		
S. Independent feasibility study , if completed – requirement determined upon further analysis of completed application		
T. Copy of SEC Form 10-K: Annual Report Pursuant to sections 13 or 15D of the Act of 1934 – ONLY for companies listed on major stock exchange or subject to SEC regulations		
U. Certificate of need, if required by statute – FOR HEALTHCARE FACILITIES ONLY		
V. Completed application checklist		

**All financial information must be prepared in accordance with Generally Accepted Accounting Principles (GAAP).*

Proposed Loan Agreement Checklist

Instructions: At a minimum, the Proposed Loan Agreement must include the following items.

Proposed Loan Agreement Items	Included	
	Yes	No
A. Prohibition against assuming liabilities or obligations of others		
B. Restriction on dividend payments		
C. Limitation on purchase or sale of equipment and fixed assets		
D. Limitation on compensation of officers and owners		
E. Minimum debt service coverage		
F. Maximum debt-to-net worth ratio		
G. Restrictions concerning consolidations, mergers, or other circumstances		
H. Limitations on selling the business without the concurrence of the lender		
I. Type and frequency of borrower and guarantor financial statements to be required for the duration of the loan		
J. Final loan agreement between the lender and borrower will contain any additional requirements imposed by the agency in its Conditional Commitment		
K. A section established for later insertion of any necessary measures by the borrower to avoid or reduce adverse environmental impacts from this proposal's construction or operation		

Guide for Completion of Feasibility Studies

An acceptable feasibility study includes, but is not limited to:

(A) Executive Summary

	<i>Introduction/Project Overview (Brief general overview of project location, size, etc.)</i>
	<i>Economic feasibility determination/opinion</i>
	<i>Technical feasibility determination/opinion</i>
	<i>Market feasibility determination/opinion</i>
	<i>Financial feasibility determination/opinion</i>
	<i>Management feasibility determination/opinion</i>
	<i>Recommendations for implementation, including an overall conclusion as to the business' chance of success (Revised 10-05-16, PN 489.)</i>

(B) Economic Feasibility

	<i>Information regarding project site;</i>
	<i>Availability of trained or trainable labor;</i>
	<i>Availability of infrastructure, including utilities, and rail, air and road service to the site.</i>

(C) Market Feasibility

	<i>Information on the sales organization and management;</i>
	<i>Nature and extent of market and market area;</i>
	<i>Marketing plans for sale of projected output - principal products and by-products;</i>
	<i>Extent of competition including other similar facilities in the market area;</i>

	<i>Commitments from customers or brokers - principal products and by-products.</i>
	<i>Adequacy of raw materials and supplies.</i>
	<i>Projected total supply from members and non-members.</i>
	<i>Projected competitive demand for raw materials.</i>
	<i>Procurement plan and projected procurement costs.</i>
	<i>Form of commitment of raw materials (marketing agreements, etc.).</i>

(D) Technical Feasibility

	<i>Suitability of the selected site for the intended use including an environmental impact analysis.</i>
	<i>Report must be based upon verifiable data and contain sufficient information and analysis so that a determination may be made on the technical feasibility of achieving the levels of income or production that are projected in the financial statements.</i>
	<i>Report must also identify any constraints or limitations in these financial projections and any other facility or design-related factors which might affect the success of the enterprise.</i>
	<i>Report must also identify and estimate project operation and development costs and specify the level of accuracy of these estimates and the assumptions on which these estimates have been based.</i>
	<i>Project engineer or architect may be considered an independent party provided neither the principals of the firm nor any individual of the firm who participates in the technical feasibility report has a financial interest in the project and provided further that no other individual or firm with the expertise necessary to make such a determination is reasonably available to perform the function.</i>
	<i>Commercial Replication</i>
	<i>Risks Related: Construction Production Regulation and Governmental Action</i>

(E) Financial Feasibility

	<i>Reliability of the financial projections and assumptions on which the financial statements are based. Two years (minimum) projected Income Statements and Cash Flow Statements, including Sensitivity Analysis. The income approach of an appraisal is not an acceptable feasibility study. (Revised 10-05-16, PN 489.)</i>
	<i>Ability of the business to achieve the projected income and cash flow.</i>
	<i>Assessment of the cost accounting system.</i>
	<i>Availability of short-term credit for seasonable business.</i>
	<i>Risks Related to: The offering Applicant financing plan Operational units Tax issues</i>

(F) Management Feasibility

	<i>Discuss adequacy of management (experience, training, and education of management).</i>
	<i>Discuss continuity of management (is there a continuity of management plan and is there depth of management?)</i>
	<i>Evidence that continuity and adequacy of management has been evaluated and documented as being satisfactory.</i>
	<i>Discuss motivation and character of management.</i>
	<i>Risks Related to: Applicant as a company (i.e. development-stage) Conflicts of interest or appearances thereof</i>

(G) Qualifications

	<i>A resume or statement of qualifications of the author of the feasibility study, including prior experience, should be submitted. Consultant must be a qualified and independent. (Revised 10-05-16, PN 489.)</i>
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