**Section 640.70 Loan Application Package**

Applications for loans must include the following documentation as appropriate:

a) Agricultural or Rural Diversification Project Description – A summary description of the project including a description of what the company plans to do with the proceeds of the loan.

b) Need for Funds – A statement and proof (justification) of a need for State supported low-interest, long term funds *as evidenced by rate of return, inadequate private market financing, inability to acquire financing from other state authorities or agencies, interstate competition of facilities, or other similar evidence of essential need for public financing* (Section 6(b)(i) of the Act).

c) Project Impact and Employment Projections – A statement documenting *an increase or potential increase in taxes or employment, a potential to retain existing jobs, or a potential improvement in the diversification of the rural economy or job market in relation to the financing requested* (Section 6(b)(iii) of the Act).

d) Company History – A brief history of the applicant, past employment growth, and other facts detailing the past and present condition and structure of the company, as well as identification of the common name of the company if different from the legal name.

1) Subsidiaries and Parents – Name and identification of the relationship to parent companies, subsidiaries, or affiliates.

2) Articles of Incorporation – Copy of the articles of incorporation and bylaws or partnership agreement, as appropriate.

e) Market Information and Future Market Prospects – A description of the primary business of the company, types of products and services offered, information on the applicant's present and future market prospects, and identification of existing and potential major customers and competitors.

f) Management Qualifications – A listing of those people who are responsible for the management of the applicant firm, their positions, and percentage of ownership;

1) Personal resumes for senior staff at the proposed project site; and

2) Personal financial statement(s) for each principal owning more than 20 percent of the applicant firm.

g) Actual and Pro forma Financial Statements – Financial statements must be submitted by the applicant as follows, unless the firm is a start up operation. Audited financial statements are preferred; prepared statements are the minimum which is acceptable. Financial statements shall include:

1) Historical corporate financial statements for the past three years, including profit and loss statements, balance sheets, and disclosure of contingent liabilities;

2) Interim financial statements (profit and loss statements and balance sheets) dated not more than ninety days prior to application; and

3) Three year projections of the profit and loss statement and balance sheet and a monthly cash flow projection for the first year.

h) Site Map – An outline of the general location of the project on a site map, including the location of any floodplain areas.

i) Uses of Funds Statement – As appropriate;

1) Land and Building Information – If funds are to be used for land and/or building acquisition, an appraisal and a copy of the purchase option or agreement; for building construction or renovation, a contractor or architect's cost estimates.

2) Description of Machinery and Equipment – If major equipment or classes of equipment are to be acquired with the Department's program funds, identification of the equipment; if for acquisition of new machinery and equipment, reliable vendor cost estimates; for moving and installation costs to be incurred, attachments of written estimates; if for used machinery and equipment acquisition, an appraisal demonstrating that the fair market value is in line with the purchase price.

3) Description of Working Capital – A detailed explanation of the need for and use of funds; for acquisition of new inventory, written estimates of cost must be provided from the vendor.

j) Letters of Commitment – Commitment letters documenting all sources of leveraging; loans from financial institutions must have language indicating the loan amount, the specified term and interest, collateral, conditions attendant to the loan, and the fact that the loan is approved.

k) Project Implementation Schedule – A list of the timelines for major project milestones and/or activities including the start date and end date of each activity.