



SMALL BUSINESS REVOLVING LOAN FUND PROGRAM SUMMARY

Mission

The Horseshoe Foundation of Floyd County (“HFFC”) Small Business Revolving Loan Fund (“SBRLF”) is designed to impact economic growth in Floyd County by offering affordable financing for new or expanding businesses within the county that may not otherwise have access to business capital. A mission driven program, the effectiveness of the SBRLF is measured by job creation and/or increases to the tax base generated by each loan. Originally capitalized with \$250,000 from HFFC in 2009, the SBRLF is intended to become self-perpetuating through principal and interest payments from its borrowers.

HFFC has partnered with One Southern Indiana (“1si”), the chamber of commerce and economic development corporation for Clark and Floyd Counties in Indiana, and the Southeast Indiana Small Business Development Center (“ISBDC”) to offer the SBRLF program to businesses in Floyd County. 1si administers the SBRLF and services loans over their repayment terms. The ISBDC assists interested business owners with completing the loan application and organizing all supporting documents.

Eligibility

In order to qualify for a loan all applicant businesses must:

- **Operate within Floyd County.** The business is not required to be headquartered in Floyd County but must provide evidence of Floyd County operations (i.e. a real estate lease) and projected impact of the proposed loan on the Floyd County economy (i.e. projected number of jobs created or retained in Floyd County and/or purchases of personal property taxable in Floyd County).
- **Have a two-year track record or transferable experience of the business owners.** All businesses must have been operating for at least two years (and able to provide a balance sheet and income statement for two previous years) or the business owner(s) must have two year’s transferrable experience from previous employment.
- **No federal or state liens and no outstanding judgments.**

Loan Terms

- **Range** - Loans range from \$5,000 to \$50,000
- **Repayment Terms** - Available repayment terms are 2, 5, and 10 years. Most fall in the 5-year category.
- **Interest Rate** - The interest rate is prime rate DISCOUNTED by 2%, with a floor of 3%. Prime rate is determined by the federal funds rate on the date of closing.
 - Based on the above, the current SBRLF interest rate is 3%.
- **Collateral** – loans may be unsecured or secured by real or personal property

- **Personal Guarantees / Co-signors** - All business owners, and in some cases their spouses, may be required to personally guarantee repayment of the loan if the business becomes unable to do so.
- **Delinquency** – ALL monthly loan payments are required to be made via ACH on the due date, which will be setup at loan closing; 1si, on behalf of HFFC, will initiate all monthly ACH loan transactions; a loan becomes delinquent if the receiving bank returns the transaction to HFFC for any reason (i.e. insufficient funds, closed account, etc...).
- **Default** – Events of default include (but are not limited to) failure to pay any installment of interest and/or principal within 5 days of when due; representation or warranty made in writing on the loan application and/or supporting documents that is materially false; filing voluntarily or involuntarily for bankruptcy, reorganization, arrangement, or readjustment of the business’s debts; the dissolution of the business by the Indiana Secretary of State, or in the case of a foreign entity, a revocation business’s authorization to transact business in the State of Indiana; the business discontinues actively conducting business in Floyd County; and death. The HFFC Loan Review Committee (“LRC”) and the Board of Directors of HFFC are entitled to all legal means available for debt recovery.
- **Applied for terms will be considered by the HFFC LRC during its review of the application; if approved, loan terms may differ from the what was requested in this loan application.**
- **The HFFC LRC and the Board of Directors of HFFC, at their discretion, have the right to make an exception to any of the terms and criteria in this application.**
- **Press** –If your loan is approved, HFFC, 1si, and/or the ISBDC may issue a press release about your business and how it plans to use HFFC loan funds to grow the Floyd County economy. You will be asked for quotes, pictures, and/or a brief summary of your operations for use in this publication.

APPLICATION PROCESS

Businesses interested in applying for financing from HFFC are encouraged, but not required, to meet with a Business Advisor at the ISBDC for assistance with completing the loan application and organizing all supporting documents. HFFC accepts applications on an on-going basis and the LRC reviews applications once a month. **Currently, the LRC meets with applicants that have submitted complete applications by the 2nd Monday of each month on the 3rd Monday of each month.** This gives the LRC one week to review application documents and ask questions before meeting with applicants in-person.

ALL application documents must be submitted electronically via a ShareFile folder that will be setup by 1si. The LRC will review your loan application and all supporting documents uploaded to this folder. Paper copies of documents will not be accepted.

If approved, 1si will coordinate closing of the loan with HFFC’s legal counsel and the applicant. Closing can typically take place within 10 days of all conditions of the loan approval being met. Closing costs due from the applicant at closing include:

- Loan Document Prep Fee – typically \$300-\$500, due to HFFC’s legal counsel
- Lien Recording and Release Fees – typically less than \$25, due to HFFC’s legal counsel, does not apply to unsecured loans
- Application Processing Fee - \$100, due to 1si
- Per Diem Interest – interest will be prepaid at closing for the period from the date of closing through the first of the next month; the first installment payment of principal and interest will not be due until the first of the following month (i.e. if you close on June 1st you will pre-pay interest at closing for June 1 – June 30, your first loan payment will not be due until August 1st, no payment will be due July 1st).

Community Partners

Horseshoe Foundation of Floyd County capitalizes the Small Business Revolving Fund; the Board of Directors monitors the loan portfolio and considers all loans recommended by the Loan Review Committee for approval.

Staff contact:

Jerry Finn

Executive Director

(812) 945-4332

jfynn@horseshoefoundation.org

33 State Street, Suite 344

New Albany, Indiana 47150



The Southeast ISBDC offers business advising and assistance with completing the HFFC SBRLF application and organizing supporting documents.

Staff contact:

Kari McGilvra

Interim Regional Director / Business Advisor

(812) 952-9765

kmcgilvr@purdue.edu

303 Scribner Drive, Suite 202

New Albany, Indiana 47150



One Southern Indiana coordinates the activities of the Loan Review Committee, coordinates loan closings, and services loans over their repayment terms.



Staff contact:

Elizabeth Baxter

Revolving Loan Manager

(812) 987-2428

ElizabethB@1si.org

4100 Charlestown Road

New Albany, Indiana 47150



**Small Business Revolving Loan Fund
Loan Review Committee Roster
as of January 2017**

<p>Al Knable, M.D. SBRLF Committee Chairman Horseshoe Foundation of Floyd County City Council New Albany, Indiana Partner Associates in Dermatology</p>	<p>Jerry Finn Executive Director Horseshoe Foundation of Floyd County</p>
<p>Brad Seigel General Manager Horseshoe Southern Indiana Director Horseshoe Foundation of Floyd County</p>	<p>David Aebersold VP, Secretary, & Treasurer Aebersold Florist, Inc. City Council New Albany, Indiana President New Albany Industrial Foundation Director Horseshoe Foundation of Floyd County</p>
<p>Lisa Brooking Chief Revenue Director One Southern Indiana</p>	<p>Matt Hall Executive Vice President One Southern Indiana</p>
<p>Madison Hamman Project Manager Blue Sky Foundation</p>	<p>D. Keith Pulliam Attorney APPLEGATE FIFER PULLIAM LLC</p>
<p>Renee Nadeau VP of Marketing Horseshoe Southern Indiana Director Horseshoe Foundation of Floyd County</p>	<p>Richard N. Robinson, CPA Partner Rodefer Moss & Company, PLLC</p>
<p>Le Anne Scott Vice President, Commercial Banking WesBanco</p>	

**2018 Loan Review Committee
Meeting Schedule**

Meeting Date/Time/Location:	For complete applications submitted by:
Monday, January 22 nd / 11:30 a.m. / 1si	Monday, January 15 th
Monday, February 26 th / 11:30 a.m. / 1si	Monday, February 19 th
Monday, March 19 th / 11:30 a.m. / 1si	Monday, March 12 th
Monday, April 16 th / 11:30 a.m. / 1si	Monday, April 9 th
Monday, May 21 st / 11:30 a.m. / 1si	Monday, May 14 th
Monday, June 18 th / 11:30 a.m. / 1si	Monday, June 11 th
Monday, July 16 th / 11:30 a.m. / 1si	Monday, July 9 th
Monday, August 20 th / 11:30 a.m. / 1si	Monday, August 13 th
Monday, September 17 th / 11:30 a.m. / 1si	Monday, September 10 th
Monday, October 15 th / 11:30 a.m. / 1si	Monday, October 8 th
Monday, November 19 th / 11:30 a.m. / 1si	Monday, November 12 th
Monday, December 17 th / 11:30 a.m. / 1si	Monday, December 10 th

APPLICATION CHECKLIST

- ✓ Completed Horseshoe Foundation of Floyd County Small Business Revolving Loan Fund Application
- ✓ Full Scope Business Plan that incorporates the following:
 - Company Summary and Operations Overview
 - Description of expansion project with projected budget (if an existing business) or start-up plan with projected budget (if a new business) and all sources of financing for the proposed expansion/start-up project (i.e. Sources and Uses of Funds)
 - Company Marketing Plan
 - 3-year Financial Projections – Balance Sheet, Income Statement, Cash Flows
- ✓ Full credit reports for all business owners
 - MUST be the full report, not just the scores
 - Applicant must provide and may be pulled for free from websites such as CreditKarma.com
- ✓ Personal Financial Statement for all business owners – SBA form 7(a) / 504 Loan and Surety Bonds
- ✓ Personal Resumes for all business owners
- ✓ Financial Statements for the 2 most recent fiscal years and as of the most recent month-end of the current year; does not apply to start-ups
 - Balance Sheet, Income Statement, Statement of Cash Flows for each of the 3 periods
- ✓ Tax Returns
 - Personal Returns (form 1040 and supporting forms) for the past 2 years for all business owners
 - Business Returns (from 1120-S, 1065, etc... and supporting forms) for the past 2 years; does not apply to start-ups
- ✓ Letter of Commitment or proof of loan closing from the business's bank, if additional financing is being secured
- ✓ Articles of Incorporation and Operating Agreement for the business
- ✓ Real Estate Lease – current or proposed

*** The LRC, at its discretion, may request additional documents and/or explanations not specified above during its review of the application.***

**HORSESHOE FOUNDATION OF FLOYD COUNTY
SMALL BUSINESS REVOLVING LOAN FUND
LOAN APPLICATION**

Loan Info

HFFC SBRLF Amount Requested (\$5,000-\$50,000)		HFFC Loan Term Requested	
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Enter Amount

Start-ups ONLY Total Start-up Budget		Existing Businesses ONLY Total Expansion Budget	
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Enter Amount

Enter Amount

Is the business applying for additional financing from a commercial bank for this start-up or expansion?		Are any of the business owners investing their own funds in the start-up or expansion? If yes, how much?	
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If yes, how much is being applied for?		If yes, how much?	
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Enter Amount

Enter Amount

BUSINESS INFO

Business Name			
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Business Address		
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Street

City, State, Zip

Business Telephone	
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Business E-mail Address	
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Business Website	
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Business Established Date		Federal Employer Tax ID Number	
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Proposed Grand Opening Date (only applies to start-ups)		Proposed Expansion Completion Date (only applies to existing businesses)	
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Type of Business		Number of Business Owners (members, partners, shareholders)	
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OWNER INFO

Owner 1 Name			
Owner Address			

Street

City, State, Zip

Home Phone			
Cell Phone		Can receive text messages at this number?	
E-mail Address			
% Owned			

Owner 2 Name			
Owner Address			

Street

City, State, Zip

Home Phone			
Cell Phone		Can receive text messages at this number?	
E-mail Address			
% Owned			

Owner 3 Name			
Owner Address			

Street

City, State, Zip

Home Phone			
Cell Phone		Can receive text messages at this number?	
E-mail Address			
% Owned			

PROFESSIONAL ADVISORS

Primary Bank Name			
Bank Contact Name			
Bank Contact Telephone			
Bank Contact E-mail Address			
Attorney Name			
Firm Name			
Attorney Telephone			
Attorney E-mail Address			
Accountant / CPA Name			
CPA Firm Name			
Accountant / CPA Telephone			
Accountant / CPA E-mail Address			

DECLARATIONS

I/we declare that any statement in this application and the supporting documentation submitted to Horseshoe Foundation of Floyd County is true and complete in substance and in fact. I declare that I/we am/are (a) legal resident(s) or U.S. Citizen(s) with the authority to conduct business in the State of Indiana.

Owner 1 Name		Owner 1 Signature		Date	
Owner 2 Name		Owner 2 Signature		Date	
Owner 3 Name		Owner 3 Signature		Date	