



**VERMONT ECONOMIC  
DEVELOPMENT AUTHORITY**

**DIRECT  
LOAN  
PROGRAM**  
SUBCHAPTER 5



### SUBCHAPTER 5 – GUIDELINES

The direct loan program is designed to make low-interest loans available to businesses for the purchase of land, the purchase or construction of buildings and the acquisition of machinery and equipment for use in an “eligible facility” which is defined as being suitable for: quarrying; mining; manufacturing; processing (including the further processing of agricultural products); assembling or warehousing; conducting research and development; use as the national or regional headquarters of a multi-state business; travel and tourism related projects and related recreational activities; collecting or processing of waste material or controlling pollution; converting post consumer materials into industrial feed stocks, or manufacturing products from these feed stocks; the business of information technology or the collection or managing of data; a captive or commercial insurance underwriter, a mortgage, commercial, or consumer credit provider; or use as a small business incubator facility.

VEDA may make loans for up to 40% of the cost of a project (usually less if other government-subsidized funds are involved), with the applicant generally participating to the extent of 10% of the project costs and the balance being loaned by an independent private sector lender or government agency. VEDA’s total participation in a project may not exceed \$1,500,000 for land and buildings and/or machinery and equipment. If a project involves on-site generation and consumption of renewable energy, loan limits may be higher. VEDA cannot finance or refinance existing company assets or debt.

In accordance with normal lending practices, VEDA collateralizes its loans with mortgages on real estate and/or security interests in machinery and equipment. Personal guarantees of principals are required. Currently, the term for real estate loans is 10 years, generally amortized on a 15-year basis. The maximum term for machinery and equipment loans is 7 years.

Completed applications for financing must be received by VEDA at least three weeks prior to the next scheduled monthly meeting of the Authority in order to be heard at that meeting. Loan applications under \$350,000 may be approved in-house by VEDA Staff. Applicants are advised to discuss their proposed project

with VEDA Staff prior to submitting the application. A written commitment from all other lenders or guarantors involved in the project must be included in the application. A processing fee of 1.0% (capped at \$3,500) is payable to the Authority when VEDA’s loan commitment letter is executed and returned by the applicant.

Principals of the applicant may be asked to be in attendance to answer questions when the VEDA Board considers the application. Meetings are open to the public, subject to certain exceptions.

---

### 1 SUMMARY PAGE

- a. Name of applicant, address and telephone number
  - b. Project costs:
    1. Land
    2. Land improvements
    3. Building
    4. Machinery and equipment
    5. Professional fees (lawyers, accountants, architects, etc.)
    6. Other (contingency, construction interest, etc.)
    7. Total
  - c. Amount and source of funds (include terms and interest rates of loans):
    1. Bank
    2. VEDA
    3. Public agency (SBA, Rural Development, Municipality, Local/Regional Revolving Loan Fund, etc.)
    4. Local development corporation
    5. Equity
    6. Total
  - d. Brief project description (See Section 4)
  - e. Name, title and telephone number of individual who prepared this application
  - f. Name, title and telephone number of individuals who will be the primary contact with VEDA (if different than e.)
  - g. Applicant Taxpayer Identification Number
  - h. DUNS number and e-mail address  
<http://fedgov.dnb.com/webform>
  - i. Signature and title of applicant; date of application
-

## **2 PRINCIPALS**

Personal resumes (including Social Security numbers) of all principals and/or officers, outlining education and employment history, particularly as it pertains to the present project. Include title and percent of ownership of each principal.

---

## **3 BUSINESS HISTORY**

Narrative of business or corporate history.

---

## **4 PROJECT DESCRIPTION**

Describe what is to be purchased or built with project funds. This exhibit should include, at a minimum:

- a. The amount and cost of land and a description of the project building or building addition. Include construction estimates and, if the project involves the purchase of land or buildings, include a copy of the purchase agreement. In certain circumstances an “as built” appraisal may also be required.
  - b. A description of the machinery and equipment to be purchased with the proceeds of the project. Include manufacturers’ names and model numbers and price quotes.
  - c. If the project includes the purchase of an existing building or used machinery and equipment, an appraisal performed by a reputable appraiser experienced in valuing assets of the type being purchased is required.
- 

## **5 BUSINESS PLAN**

The Business Plan should include, but need not be limited to, a discussion of the following elements:

- a. Business environment:
  1. Size and character of the past, present and future markets for the business’ products
  2. Principal competitors and their market shares
  3. Principal customers (include names of individuals to contact, their addresses and telephone numbers)
  4. Principal suppliers (include names of individuals to contact, their addresses and telephone numbers)
  5. Competitive advantage of the business (e.g., price, performance, delivery, service, etc.)
- b. Marketing plan:
  1. Organization of the sales force
  2. Distribution channels
  3. Advertising/promotion strategy
- c. Production plan:
  1. Production capabilities including programs for:
    - a) Production control and scheduling

- b) Inventory control
    - c) Quality control
  2. Availability and price of raw materials
  3. Provision for training of employees
  4. Contingencies for future expansion or contraction
  - d. Management structure, including key personnel and their functions
  - e. Terms of trade credit
  - f. Business location including consideration for:
    1. Labor pool
    2. Transportation
    3. Utilities
    4. Expansion possibilities
- 

## **6 FINANCIAL PLAN**

Provide detailed historical and projected financial information, including:

- a. CPA prepared financial statements for the past three years including income statements, balance sheets and sources and uses of funds and associated footnotes.
  - b. If the applicant is a subsidiary or is closely affiliated with another corporation, supply financial statements for the parent corporation or affiliate for the last three years.
  - c. Projected income and cash flow statements and balance sheets for the present fiscal year and three years forward. Start-up or development stage businesses should also provide a monthly cash flow statement for the first year or until the business is projected to reach breakeven. List all material assumptions included in the projections.
  - d. Personal financial statements for all principals with ownership equal to or greater than 20% of the business.
  - e. Sources and terms of funds to be borrowed for working capital and for the planned purchase of other assets not included in the VEDA project.
- 

## **7 PROJECT TIMETABLE**

Timetable for completion of project.

---

## **8 EMPLOYEE COMPENSATION AND BENEFITS**

In an attempt to gather more in-depth and accurate information on job creation, we request that the applicant provide certain information to assist VEDA in ascertaining its impact on and value to the Vermont economy. We understand that projected employment data is difficult to predict and that future employment data may not meet projections, but request that the applicant make a reasonable estimate of future employment that corresponds to its current financial projections. (Please account for part-time employees on a full-time equivalent basis.)

Please complete the attached Employee Compensation and Benefits table.

---

## **9 LENDER COMMITMENTS**

Letters of commitment from all other participating lenders or guarantors, including banks and other private and/or public institutions or entities. Include relevant resolutions of boards or committees, executed by appropriate individuals. For all non-bank private lenders/investors in the project, please provide full name, address and Tax Identification Number (for an entity) or Social Security Number (for an individual).

---

## **10 BANKING RELATIONSHIPS**

Provide a list of all loan obligations which the business currently has outstanding, and for each loan indicate the original and current principal balance; the type of loan and collateral pledged; the terms and conditions thereof; and the name and telephone number of the loan officer.

---

## **11 BANKRUPTCY/LITIGATION**

Provide a brief written description including the details of any bankruptcy, receivership, compromises with creditors, any pending litigation, criminal charges or criminal convictions other than minor motor vehicle violations, against the applicant, company, officers, directors or principal stockholders. If none of these circumstances pertain, include a statement to that effect.

---

## **12 CERTIFICATE OF AUTHORITY TO DO BUSINESS IN VERMONT**

If applicant is an out-of-state domiciled company, include Certificate of Authority to do Business in Vermont.

---

## **13 ADDITIONAL INFORMATION REQUIRED**

**VEDA Form 4A** - Findings of Planning Commission, Board of Selectmen or other appropriate body (required only if this project includes the construction or renovation of real property).

VEDA's enabling legislation limits financing for real estate projects to those which are able to establish compliance with applicable local and state environmental, zoning, planning and sanitary laws and regulations. The submission of an application for VEDA financing constitutes a representation that, to the best of the applicant's knowledge, the project and its plans will comply with all such laws and regulations. Prior to or contemporaneous with closing of a transaction, evidence such as an opinion of legal counsel or an engineer's or architect's certificate, as appropriate, shall be submitted establishing final project plan compliance with applicable laws and regulations.



## Employee Compensation and Benefits

	<b>Before Project</b> (at time of application)	<b>Within 3 Years</b>
<b># of full-time hourly employees</b>	_____	_____
<b>Average hourly wage <i>without</i> benefits:</b>	\$_____/hr	\$_____/hr
<b>Average hourly wage <i>with</i> benefits:</b>	\$_____/hr	\$_____/hr
<b># of salaried employees:</b>	_____	_____
<b>Average annual salary <i>without</i> benefits:</b>	\$_____/yr	\$_____/yr
<b>Average annual salary <i>with</i> benefits:</b>	\$_____/yr	\$_____/yr
<b>Employee benefits as % of total payroll:</b>	_____%	_____%

	FY_____	FY_____	FY_____
<b>Total payroll last three years:</b>	\$_____	\$_____	\$_____

Please describe benefits offered to employees:

---



---



---



---



---



---



---



---



---



---

**VEDA No. 4A**  
**VERMONT ECONOMIC DEVELOPMENT AUTHORITY**

(To be completed by Municipal Planning Commission, Town Board of Selectmen or other appropriate municipal entity.)

Name of Board or Commission \_\_\_\_\_

Description of Proposed Project or Industrial Park \_\_\_\_\_

Municipality in which Proposed Project or Industrial Park is to be located \_\_\_\_\_

\_\_\_\_\_

The undersigned \_\_\_\_\_  
(Board or Commission)

of the City / Town of \_\_\_\_\_, Vermont, after a study of the proposed project site, a review of municipal ordinances and applicable land use plans and a general study of the effects of the Proposed Project or Industrial Park upon the municipality and region in which it is to be located, herewith submit the following findings at the request of the Vermont Economic Development Authority:

1. That the Proposed Project or Industrial Park (will) (will not) violate existing zoning ordinances, regulations or local land use plans, and will be located in a district zoned \_\_\_\_\_.
2. That the Proposed Project or Industrial Park (is) (is not) in accord with a duly adopted municipal land use plan.
3. That the Proposed Project or Industrial Park (will) (will not) involve unusual costs to the community.

If affirmative – estimate costs:

Water Mains \$ \_\_\_\_\_ Street Extension \$ \_\_\_\_\_

Sewer Mains \$ \_\_\_\_\_ Other costs (itemized) \$ \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. That the Proposed Project or Industrial Park (is) (is not) in the best interests of the community for the following reasons and (is) (is not) supported/approved by the above Board/Commission: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_ Signatures: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**APPLICANT CERTIFICATION**

I / We hereby certify that the information contained in our application for funding from the Vermont Economic Development Authority or any of its component units dated \_\_\_\_\_ is complete and accurate to the best of my/our knowledge, and authorize all inquiries deemed necessary to verify the accuracy of the information I/we have and will provide in connection therewith.

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Date

## PERSONAL FINANCIAL STATEMENT

Submitted to: \_\_\_\_\_

Date: \_\_\_\_\_

**IMPORTANT: Read these directions before completing this Statement**

- If you are applying for individual credit in your own name and are relying on your own income, or assets and not the income or assets of another person as the basis for repayment of the credit requested, or if this statement relates to your guaranty of the indebtedness of other person(s), firm(s), or corporation(s), complete only Sections 1, 3, and 4.
- If you are applying for individual credit but are relying on income from alimony, child support, or separate maintenance or on the income or assets of another person as a basis for repayment of the credit requested, complete all Sections. Provide information in Section 2 about the person whose alimony, support, or maintenance payments or income or assets you are relying on. Alimony, child support, or separate maintenance income, need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.

Section 1 - Individual Information (type or print)	Section 2 - Other Party Information (type or print)
Name _____	Name _____
Address _____	Address _____
City, State & Zip _____	City, State & Zip _____
Social Security # _____	Social Security # _____
Date of Birth _____	Date of Birth _____
Position or occupation _____	Position or occupation _____
Business name _____	Business name _____
Business address _____	Business address _____
City, State & Zip _____	City, State & Zip _____
Length at present address _____	Length at present address _____
Length of employment _____	Length of employment _____
Res. phone _____ Bus. phone _____	Res. phone _____ Bus. phone _____
Have (either of) you or any firm in which you were a major owner ever declared bankruptcy, or settled any debts for less than the amounts owed? If yes, please provide details on a separate sheet. <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>	
Are (either of) you a defendant in any suit or legal action? <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>	
Are (either of) you presently subject to any unsatisfied judgements to tax liens? <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>	
When, if ever, have (either of) you been audited by IRS?	

Section 3 - Statement of Financial Condition as of _____							
Assets	In dollars (omit cents) [Individual]	[Joint]	If joint, with whom	Liabilities	In dollars (omit cents) [Individual]	[Joint]	If joint, with whom
(Do not include assets of doubtful value)							
Cash, Checking & Savings, CD's - see Schedule A				Notes payable to banks & others - see Schedule H			
U.S. Gov't. & marketable securities - see Schedule B				Due to brokers			
Non-marketable securities - see Schedule C				Amounts payable to others-secured			
Securities held by broker in margin accounts				Amounts payable to others-unsecured			
Restricted, control or margin account stocks				Accounts & bills due			
Real estate owned - see Schedule D				Unpaid income tax			
Accounts, loans, & notes receivable				Other unpaid taxes & interest			
Automobiles				Real estate mortgages payable - see Schedules D & H			
Cash surrender value-life insurance - see Schedule E							
Vested interest in deferred compensation/profit-sharing plans - see Schedule F							
Business ventures - see Schedule G							
Other assets/personal property itemize - see Schedule G if applicable							
				<b>Total Liabilities</b>			
				<b>Net Worth</b>			
<b>Total Assets</b>				<b>Total Liabilities and Net Worth</b>			

Section 4 - Annual Income For Year Ended _____								
Annual Income	[Individual]	[Joint]	Annual Expenditures	[Individual]	[Joint]	Contingent Liabilities Estimated Amounts	[Individual]	[Joint]
Salary, bonuses & commissions \$			Mortgage/rental payments \$			Do you have any... Yes No		
Dividends & interest			Real estate taxes & assessments			Contingent liabilities (as endorser, co-maker or guarantor?)	<input type="checkbox"/>	<input type="checkbox"/>
Real estate income			Taxes-federal, state & local			(On leases? on contracts?)	<input type="checkbox"/>	<input type="checkbox"/>
Other income (alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.)			Insurance payments			Involvement in pending legal actions?	<input type="checkbox"/>	<input type="checkbox"/>
			Other contract payments (car payments, cha/gp cards, etc.)			Contested income tax liens?	<input type="checkbox"/>	<input type="checkbox"/>
			Alimony, child support, maintenance			Any estimated capital gains tax on the unrealized asset appreciation?	<input type="checkbox"/>	<input type="checkbox"/>
			Other expenses			Other special debt or circumstances?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Total Income</b> \$			<b>Total Expenditures</b> \$			If "yes" to any question(s) describe:		
						<b>Total Contingent Liabilities</b>	\$	

(COMPLETE SCHEDULES AND SIGN ON REVERSE SIDE)

© 1991 Robert Morris Associates - Form C-100-T 9/18/97  
 ORDER FROM Bankers Systems, Inc., St. Cloud, MN Form C-100-T 9/18/97  
 These forms are intended for use in commercial lending transactions.  
 Where any other use is contemplated, it is suggested that a careful review  
 be made to ensure compliance with applicable laws and regulations.



**SCHEDULE A - CASH, CHECKING AND SAVINGS ACCOUNTS, CERTIFICATES OF DEPOSIT, MONEY MARKET FUNDS, ETC.**

Name of Financial Institution	Type of Account	Owner	(J)	If Pledged, to Whom?	Balance

**SCHEDULE B - U.S. GOVERNMENT & MARKETABLE SECURITIES** (Use additional sheet if necessary)

Number of Shares or Face Value of Bonds	Description	In Name of	Are these Registered, Pledged, or Held by Others?	Market Value	Exchanges Where Traded

**SCHEDULE C - NON-MARKETABLE SECURITIES** (Use additional sheet if necessary)

Number of Shares	Description	In Name of	Are these Registered, Pledged, or Held by Others?	Value	Method of Valuation

**SCHEDULE D - INVESTMENTS IN REAL ESTATE** (Use additional sheet if necessary)

Description/Location of Real Estate Investment	(J)	Date of Original Investment/Amount	% Owned By You	Market Value of Your % of Investment	Present Balance	Monthly Payment	Mortgage Maturity Date	Mortgage Owed To

**SCHEDULE E - LIFE INSURANCE CARRIED, INCLUDING GROUP INSURANCE**

Name of Insurance Company	Owner of Policy	Beneficiary and Relationship	Face Amount	Policy Loans	Cash Surrender Value

**SCHEDULE F - VESTED INTEREST IN DEFERRED COMPENSATION/PROFIT-SHARING PLANS**

% Vested	Company Name	Account Number	Manner of Payout (Annuity, Lump Sum, etc.)	Distribution Date	Beneficiary	Amount

**SCHEDULE G - BUSINESS VENTURES** (Use additional sheets if necessary)

List Name and Address of Any Business Venture In Which You Are a Principal or Partner	Your Position/ Title in the Business	Line of Business	Years in Business	Total Assets Listed in Section 3	Your % of Ownership	Net Worth of Business	Present Net Value of Your Investment

**SCHEDULE H - LOANS OWING BANKS, BROKERS, FINANCE COMPANIES, AND OTHERS (MASTERCARD, VISA, ETC.)**

Owing to (Acct. No.)	(J)	Date of Original Borrowing/Amount	Present Balance	Due	Monthly Payment	Date of Final Pay't	Secured by

The information contained in this statement is provided to induce you to extend or to continue the extension of credit to the undersigned or to others upon the guaranty of the undersigned. The undersigned acknowledges and understands that you are relying on the information provided herein in deciding to grant or continue credit or to accept a guaranty thereof. Each of the undersigned represents, warrants, and certifies that (1) the information provided herein is true, correct and complete and gives a correct and complete showing of the financial condition of the undersigned, (2) the undersigned has no liabilities direct, indirect or contingent except as set forth in this statement, and (3) legal and equitable title to all assets listed herein is in the undersigned's sole name, except as may be herein otherwise noted. Each of the undersigned agrees to notify you immediately and in writing of any change in name, address, or employment and of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligations to you. In the absence of such notice or a new and full written statement, this should be considered as a continuing statement and substantially correct. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein, and to determine the credit-worthiness of the undersigned and the undersigned hereby authorizes all persons of whom you make such inquiries to respond thereto in full. Each of the undersigned authorizes you to answer questions about your credit experience with the undersigned.

Date signed \_\_\_\_\_, \_\_\_\_\_ Signature (individual) \_\_\_\_\_

Date signed \_\_\_\_\_, \_\_\_\_\_ Signature (other party) \_\_\_\_\_