



TOWN OF HAMDEN, CONNECTICUT
Economic & Community Development Department
2750 Dixwell Avenue
Hamden, Connecticut 06518

Dale Kroop, Director

TO ALL INTERESTED LOAN APPLICANTS
NOTICE OF AVAILABLE FUNDS
SMALL BUSINESS LOAN PROGRAM
COMMERCIAL DOWN-PAYMENT ASSISTANCE PROGRAM

We are please to announce the availability of funds under two programs.

- The Hamden Small Business (Micro-Loan) Loan Program.
- The Commercial Down-Payment Assistance Program.

These programs will be available in all areas of Hamden for any type of business.

The maximum amount of each loan will be \$50,000. This includes the new construction or rehabilitation of property, the purchase of machinery or equipment and inventory (limited). The loans can also be used for the purchase of commercial/industrial land or buildings. All loans will require collateral. Working Capital expenses such a salaries; rent and/or utilities are not eligible. Start-up businesses are eligible to participate under limited circumstances. There is a loan application fee that is due only if your complete application is processed and underwritten.

A valuable service offered in the Hamden program is *Technical Assistance* for applicants who request help on their applications and for ongoing development of business strategies. The cost for this service is free under the Business Assistance Center for the applicant.

The Greater New Haven Loan Fund (GNHLF) consultants will administer the program(s) for the Town. GNHLF is a statewide lending institution specializing in small business lending. The enclosed Application and Personal Financial Statement for either program should be returned to Dale Kroop, Director, Economic and Community Development, 2750 Dixwell Avenue, Hamden, CT 06518.

If you have any questions, please call 203-287-7033.

We look forward to working with you!

Sincerely,

Dale Kroop
Director

Tel (203) 287-7033

Fax (203) 287-7035

e-mail dkroop@hamden.com

Hamden Economic Development Department

Small Business Loan Programs

I. Micro-Loan Program

Terms and Conditions:

- No publicly traded companies
- All businesses located in Hamden or moving to Hamden with annual revenues less than \$1,000,000 would be eligible. Exceptions granted on a case-by-case basis.
- Maximum Loan Amount \$50,000
- Maximum Term: 60 Months
- Rate: Float @ Wall Street Journal Prime Rate; adjusted for the first business day of March, June, September and December
- Purpose: Fixed asset purchases (machinery and equipment), inventory (non-perishables), interior and/or exterior renovations, property improvements. Working Capital expenses such as Salary, Lease, Utilities, etc.) are not eligible.
- Up to 85% of cost of appraised value (whichever is less) of asset to be acquired or renovations or improvements to real property may be borrowed.
- A UCCI statement shall be filed at the Secretary of State's office in favor of the Town of Hamden for all fixed assets purchased. When applicable (primarily to secure loans made for interior and/or exterior renovations), a lien shall be filed on the Hamden land records in favor of the Town of Hamden

Procedures & Administration

The Economic and Community Development Department will review application information (for completeness) including borrower's name, address, business type, purpose of the loan, amount, proposed repayment schedule and any other information deemed necessary by the Department.

Loan packages shall be forwarded to Greater New Haven Loan Fund (GNHLF).

The loan program will be administered by the GNHLF. The GNHLF shall review and underwrite the loan application and may inspect the applicant's existing or proposed site of business.

The GNHLF will prepare a recommendation to the Economic Development Commission (EDC).

The EDC reviews the recommendation and shall make final decision, and will notify the GNHLF and the Applicant.

The GNHLF shall prepare, or have prepared, all necessary loan documents to reflect the loan transactions.

The GNHLF shall close the loan with assistance from the Director of Economic and Community Development.

The GNHLF shall generate all notices, invoices, etc.

The GNHLF shall collect payments and institute initial collection procedures should a payment become delinquent. After 90 days, the town would exercise any rights or remedies it has under the note, the loan agreement, or any Guaranty or Security Agreement.

Underwriting Criteria:

- No business plan shall be required (recommended); however, applicants shall submit their last two fiscal year financial statements and/or federal tax returns in addition to a current personal financial statement and planned use of loan proceeds. Updated financial statements and tax returns shall be required annually.
- All loans shall be personally guaranteed by the business owners.
- Loans advanced shall not exceed 85% of purchase price or appraised value of collateral.
- Total debt service ability of the business entity (borrower) shall at all times (during the time of any outstanding borrowing) exceed a ration of 1.1 (income) to 1 (expense) coverage.
- Evidence that all Hamden taxes due are current, or that payments are being made as per an agreement with the Town, shall be required prior to loan approval and annually thereafter.

II. Commercial Property Down-Payment Assistance Program

Terms and Conditions:

- No publicly traded companies
- All businesses located in Hamden or moving to Hamden with annual revenues less than \$1,000,000 would be eligible. Exceptions granted on a case-by-case basis.
- Maximum Loan Amount \$50,000
- Maximum Term: 15 Year Amortization Rate: Float @ Wall Street Journal Prime Rate plus one percent, adjusted for the first business day of March, June, September and December.
- Purpose: for the purchase of buildings or vacant land where the business location will operate. Mixed-Use buildings can be financed as part of this program.
- Maximum purchase price will be \$250,000. Exceptions granted on a case-by-case basis.
- The Business owner must qualify for a first mortgage with a traditional lender.
- A lien shall be filed on the Hamden land records in favor of the Town of Hamden.
- This loan may be combined with the Micro-Loan program for a total of \$100,000.

Procedures & Administration

The Economic and Community Development Department will review application information (for completeness) including borrower's name, address, business type, amount, proposed repayment schedule and any other information deemed necessary by the Department.

Loan packages shall be forwarded to Greater New Haven Loan Fund (GNHLF).

The loan program will be administered by the GNHLF. The loan officer for GNHLF shall review and underwrite the application and may also inspect the applicants existing or proposed site of business.

The GNHLF will prepare a recommendation to the Economic Development Commission (EDC).

The EDC reviews the recommendation and shall make final decision, and will notify the GNHLF and the Applicant.

The GNHLF shall prepare, or have prepared, all necessary loan documents to reflect the loan transaction.

The GNHLF shall close the loan with assistance from the Director of Economic and Community Development.

The GNHLF shall generate all notices, invoices, etc.

The GNHLF shall collect payments and institute initial collection procedures should a payment become delinquent. After 90 days, the town would exercise any rights or remedies it has under the note, the loan agreement, or any Guaranty or Security Agreement.

Underwriting Criteria:

- No business plan shall be required; however, applicants shall submit their last two fiscal year financial statements and/or federal tax returns in addition to a current personal financial statement and planned use of loan proceeds. Updated financial statements and tax returns shall be required annually.
- The business owners shall personally guarantee all loans.
- Loans advanced shall not exceed 85% of purchase price of the property.
- Total debt service ability of the business entity (borrower) shall at all times (during the time of any outstanding borrowing) exceed a ratio of 1.1 (income) to 1 (expense).
- Evidence that all Hamden taxes due are current, or that payments are being made as per an agreement with the Town, shall be required prior to loan approval and annually thereafter.

TOWN OF HAMDEN
Micro Loan Program Application

Company Name: _____

Contact Person: _____ Title: _____

Address: _____ City/State/Zip Code: _____

Telephone: () _____

Fax: () _____

Present Employees:		<input type="checkbox"/> Full-time <input type="checkbox"/> Part-time	Projected within 1 year:		<input type="checkbox"/> Full-time <input type="checkbox"/> Part-time
Type of Organization (check one)			Nature of business:		
<input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Sole Proprietor (d/b/a) <input type="checkbox"/> Partnership <input type="checkbox"/> Other					

Date Business Started:	Tax ID#:
Loan Request Amount: \$	
Purpose:	

Source of Funds:		Use of Funds:	
GNHLF Loan	\$	Equipment Purchase	\$
Bank Loan	\$	Real Estate Acquisition	\$
Cash Equity	\$	Paydown Acct Payable*	\$
Business Cash Flow	\$	Working Capital	\$
Other:	\$	Other:	\$
TOTAL	\$	TOTAL	\$

*If paying off accounts payable, include a list of trade debt of trade dept to be paid off.

If purchasing equipment, attach listing of equipment to be purchased. If purchasing or refinancing real estate, include a copy of the tax assessment card.

MANAGEMENT OF BUSINESS:

Name	Position	Years with Company	% of Ownership	Guarantor*

*Any owner of the business which owns 20% or better is required to guarantee the loan.

WHAT WILL BE PLEDGED AS COLLATERAL?

Asset	Yes/No	Est. Value	Source of Value	Existing Lien in Dollars	Lien Holder
Accounts Receivable	<input type="checkbox"/> /	\$		\$	
Equipment	<input type="checkbox"/> /	\$		\$	
Inventory	<input type="checkbox"/> /	\$		\$	
Real Estate	<input type="checkbox"/> /	\$		\$	
Other	<input type="checkbox"/> /	\$		\$	

BUSINESS FINANCIAL INFORMATION:

EXISTING DEBTS:

Amount of Debt	Debtors Name	Monthly Payment	Interest Rate	Collateral	Maturity Date	Payment Current?
\$		\$				
\$		\$				
\$		\$				
\$		\$				
\$		\$				

INCOME SUMMARY STATEMENT

Year Ending:	12/31/07	12/31/08	12/31/09	Projected 1 st Year
Sales	\$	\$	\$	\$
Gross Profit	\$	\$	\$	\$
Operating Profit	\$	\$	\$	\$
Net Profit	\$	\$	\$	\$
Officer Compensation	\$	\$	\$	\$
Depreciation & Amort	\$	\$	\$	\$
Existing Interest Payments	\$	\$	\$	\$

PERSONAL FINANCIAL INFORMATION (complete attached Personal Financial Statement Form)

EXISTING DEBTS

Amount of Debt	Debtors Name	Monthly Payment	Interest Rate	Collateral	Maturity Date	Payment Current?
\$		\$				
\$		\$				
\$		\$				
\$		\$				
\$		\$				

GUARANTOR(S)

Guarantor(s) Name	Guarantor(s) Annual Income	Source of Income
1	\$	
2	\$	
3	\$	
4	\$	
5	\$	

REFERENCES

Vendor Name	Contact	Telephone #	Nature of Business
1			
2			
3			

REFERENCES

Lender Name	Type of Account	Account #	Account Balance
1			
2			
3			

COMPETITOR

Competitor Name	Location	How does your company compete?
1		
2		
3		

Has the business ever filed for Bankruptcy? Yes No (If Yes, give details)

Has any of the owners of the business ever filled for Bankruptcy? Yes No (If Yes, give details)

Are all payroll, federal, state and municipal taxes current? Yes No (If No, give details)

Comment on: (Background of company. Is the business subject to sales and cash flow fluctuations throughout the year. How will proposed loan benefit the company?)

Please include the following information with this application:

1. Three years business tax returns. If sole proprietorship include a year end balance sheet.
2. Three years personal tax returns.
3. Personal financial statement form.
4. Resume on owners.
5. Attachments referred on this application.
6. If this is a start-up business is less than one year old, include a business plan which includes a proforma opening balance sheet, a one year cash flow and a three year income statement.

The information contained in this application is true to the best of my knowledge, and is being given to the Town of Hamden for consideration of credit by GNHLF.

By its (Signature)

Date

TOWN OF HAMDEN, CONNECTICUT

Micro Loan Program

PERSONAL FINANCIAL STATEMENT

Please complete all information, sign and date form.

PERSONAL INFORMATION

NAME: LAST, FIRST & MIDDLE (PLEASE PRINT)		BIRTH DATE:	SOCIAL SECURITY#	US CITIZEN <input type="checkbox"/> YES <input type="checkbox"/> NO	HOME PHONE # ()
CURRENT ADDRESS	CITY/STATE	ZIP CODE	<input type="checkbox"/> OWN <input type="checkbox"/> RENT <input type="checkbox"/> OTHER	YEARS	RENT/MTG PAYMENTS \$
PREVIOUS ADDRESS	CITY/STATE	ZIP CODE	<input type="checkbox"/> OWN <input type="checkbox"/> RENT <input type="checkbox"/> OTHER	YEARS	RENT/MTG PAYMENTS \$
					AVG. MTLY UTILITIES \$
					AVG. MTLY UTILITIES \$

EMPLOYMENT INFORMATION

EMPLOYER	ADDRESS	CITY/STATE	ZIP CODE	WORK PHONE # ()
POSITION	DEPARTMENT UNIT	LENGTH OF EMPLOYMENT YRS. MOS.	TYPE OF BUSINESS	ANNUAL SALARY \$
PREVIOUS EMPLOYER, ADDRESS & POSITION		LENGTH OF EMPLOYMENT YRS. MOS.		ANNUAL SALARY \$
HAVE YOU FILED BANKRUPTCY OR HAD ANY JUDGEMENTS AGAINST YOU? <input type="checkbox"/> YES <input type="checkbox"/> NO Explain on attachment	ARE YOU OBLIGATED TO PAY ALIMONY, CHILD SUPPORT OR MAINTENANCE PAYMENTS? <input type="checkbox"/> YES <input type="checkbox"/> NO Explain on attachment		DO YOU HAVE A WILL <input type="checkbox"/> YES <input type="checkbox"/> NO Name of Executor:	

ASSETS		LIABILITIES AND NET WORTH	
CASH ON HAND AND IN BANKS (A)	\$ _____	NOTES DUE BANKS (H)	\$ _____
MARKETABLE SECURITIES (B)	\$ _____	NOTES DUE OTHERS	\$ _____
NON-MARKET SECURITIES ©	\$ _____	BROKERS MARGIN ACCOUNTS	\$ _____
ACCTS & NOTES RECEIVABLE (D)	\$ _____	ACCOUNTS & BILLS DUE	\$ _____
REAL ESTATE WHOLLY OWNED (E)	\$ _____	INCOME TAXES DUE	\$ _____
PARTIAL INTEREST/REAL ESTATE (F)	\$ _____	OTHER UNPAID TAXES & INTEREST	\$ _____
AUTOMOBILES	\$ _____	REAL ESTATE MORTGAGES (E)	\$ _____
CASH VALUE-LIFE INSURANCE (G)	\$ _____	OTHER DEBTS (ITEMIZE)	\$ _____
OTHER ASSETS (ITEMIZE)	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	TOTAL LIABILITIES	\$ _____
_____	\$ _____	+NET WORTH (ASSETS-LIABILITIES)\$ _____	
TOTAL ASSETS	\$ _____	TOTAL LIABILITIES & NETWORTH	\$ _____
ANNUAL INCOME		CONTINGENT LIABILITIES	
SALARY	\$ _____	JUDGEMENTS	\$ _____
COMMISSIONS	\$ _____	DAMAGE CLAIMS	\$ _____
DIVIDENDS/INTEREST	\$ _____	GUARANTIES	\$ _____
ACCTS & NOTES RECEIVABLES	\$ _____	ENDORSEMENTS & ANY OTHER PENDING OBLIGATIONS	\$ _____
RENAL INCOME	\$ _____	OTHER UNPAID TAXES & INTEREST	\$ _____
OTHER IINCOME	\$ _____		
TOTAL	\$ _____	TOTAL	\$ _____

(A) BANKING INFORMATION

TYPE OF ACCOUNT	BANK/S&L/CREDIT UNION	ADDRESS/CITY/STATE	ACCOUNT NUMBER	BALANCE
				\$
				\$
				\$
				\$
				\$
(Use separate sheet if necessary)			TOTAL	\$

(B) MARKETABLE SECURITIES/MONEY MARKET FUNDS

DESCRIPTION	REGISTERED OWNER	NO. OF SHARES FOR FACE VALUE (BONDS)	COST	SOURCE OF VALUATION	MARKET VALUE
			\$		\$
			\$		\$
			\$		\$
			\$		\$
			\$		\$
(Use separate sheet if necessary)				TOTAL	\$

(C) NON-MARKETABLE SECURITIES

DESCRIPTION	REGISTERED OWNER	NO. OF SHARES	COST	SOURCE OF VALUATION	MARKET VALUE
			\$		\$
			\$		\$
			\$		\$
			\$		\$
			\$		\$
(Use separate sheet if necessary)				TOTAL	\$

(D) ACCOUNTS AND NOTES RECEIVABLES

BORROWER & ADDRESS	WHEN DUE	ORIGINAL DATE	ORIGINAL AMOUNT	COLLATERAL	BALANCE DUE
			\$		\$
			\$		\$
			\$		\$
			\$		\$
			\$		\$
(Use separate sheet if necessary)				TOTAL	\$

(E) REAL ESTATE-WHOLLY OWNED

DESCRIPTION & LOCATION	DATE ACQ'D	TITLE IN NAME OF	PURCHASE PRICE	MORTGAGE HOLDER	MARKET VALUE	MONTHLY PAYMENT	MORTGAGE BALANCE
			\$		\$	\$	\$
			\$		\$	\$	\$
			\$		\$	\$	\$
			\$		\$	\$	\$
			\$		\$	\$	\$
(Use separate sheet if necessary)				TOTAL	\$	\$	\$

(F) REAL ESTATE- PARTIALLY OWNED

DESCRIPTION & LOCATION	TOTAL COST	YEAR OF PURCHASE	TOTAL MARKET VALUE	TOTAL MORTGAGE	X % OF OWNERSHIP	YOUR VALUE OF EQUITY	
		\$	\$	\$	\$	\$	
		\$	\$	\$	\$	\$	
		\$	\$	\$	\$	\$	
		\$	\$	\$	\$	\$	
(Use separate sheet if necessary)						TOTAL	\$

(G) LIFE INSURANCE

NAME OF COMPANY	FACE AMOUNT	BENEFICIARY	LOANS	CASH SURRENDER VALUE BALANCE DUE	
	\$		\$	\$	
	\$		\$	\$	
	\$		\$	\$	
	\$		\$	\$	
(Use separate sheet if necessary)				TOTAL	\$

(H) NOTES & ACCOUNTS DUE BANKS AND OTHERS-INCLUDE ALL REVOLVING CREDIT AVAILABLE

BANK/STORE/COMPANY	ACCOUNT NUMBER	HIGH CREDIT	SECURED BY	TERMS	MONTHLY PAYMENTS	CURRENT BALANCE	
		\$			\$	\$	
		\$			\$	\$	
		\$			\$	\$	
		\$			\$	\$	
(Use separate sheet if necessary)						TOTAL	\$

THE UNDERSIGNED CERTIFIES THAT THE INFORMATION PROVIDED HAS BEEN CAREFULLY READ AND IS TRUE, CORRECT AND COMPLETE. THE UNDERSIGNED FURTHER REPRESENTS THAT THERE ARE NOT ENCUMBRANCES AGAINST ANY OF THE FOREGOING PROPERTY EXCEPT THOSE SPECIFICALLY DISCLOSED ABOVE. GNHLF IS AUTHORIZED TO VERIFY THE INFORMATION DISCLOSED AND TO PERFORM A CREDIT INVESTIGATION. THE UNDERSIGNED AUTHORIZES GNHLF, IF CREDIT GRANTED, TO GIVE CREDIT INFORMATION TO ANY CREDIT REPORTING SERVICE AND TO ADVISE OTHERS ABOUT ITS CREDIT EXPERIENCE WITH YOU. IT IS ALSO AGREED THAT THE FINANCIAL STATEMENT SHALL REMAIN THE PROPERTY OF GNHLF WHETHER OR NOT CREDIT IS GRANTED.

SIGNATURE

DATE SIGNED

SIGNATURE

DATE SIGNED