



Dear Applicant,

Thank you for your interest for the Lynchburg Economic Development Authority (LEDA) Revolving Loan Fund. Please fill out the attached application and return back to our office along with the following information and documents:

- Business projections for the next three years
- Business tax returns for the past three years
- Personal tax returns for the past two years
- Year to date profit & loss statement and balance sheet for the current year.
- Personal financial statement
- Personal schedule of outstanding debt
- Business schedule of outstanding debt
- Credit report from Equifax with credit score
- Executive summary of your business plan regarding this loan request
- Brief biography of you and the history of your business
- \$250 application fee

We look forward to working with you on this request and are excited to hear about your businesses plans. If you have any questions or need assistance on the application, please contact the Lynchburg Office of Economic Development at 434- 455-4490 or the Business Development Centre at 434-582-6100.

Sincerely

Byron Steward,
Director, Lynchburg Business Development Centre



Lynchburg Economic Development Authority Revolving Loan Fund

Minimum long term loan size will be **\$50,000** up to a maximum of **\$250,000**. Short term loans will not exceed \$50,000 for any one company at any given time. Total loan packages that may include both short term and long term loans may not exceed \$250,000.

The LEDA revolving loan fund (RLF) interest rate will be a fixed rate based on current prime rate at closing, plus 1% with a floor of 5%. All loans will be at a fixed rate of interest. LEDA RLF will charge a one-time **\$250** nonrefundable application fee. In addition the borrower will be charged a closing fee equal to 1% of the total loan amount. Security will be required in all cases.

Program Focus

The LEDA RLF will target assistance to existing small business concerns in the City of Lynchburg. Priority will be given to redevelopment projects and expansion proposals that create jobs, located within geographic areas of the City that have a Masterplan (Riverfront, MidTown, Tyreanna, 5th Street), LEED certified construction projects, Technology Zone applicants, and participants in city supported incubator programs.

Eligible Applicants/Activities

Those eligible for LEDA RLF will be private, for-profit firms which may be included in the following definition of small businesses: A business that is 1.) Independently owned, 2.) With net worth or net assets not to exceed \$6 million, 3.) With average net profit after federal income taxes for the preceding two years of less than \$2,000,000, and 4.) With less than 500 employees.

In addition, private non-profit organizations may be eligible if they contribute to the City's real estate tax base and can provide collateral. LEDA RLF can be used for a variety of project costs, including real estate acquisition, new construction, rehabilitation, equipment & inventory purchases and working capital. LEDA RLF cannot however be used for the refinancing of existing debt.

Is the business of the owners of the business a party to a lawsuit? No _____ Yes _____
If yes, please provide documentation regarding the circumstances.

Has the business or any of the owners of the business ever filed for bankruptcy? No _____ Yes _____
If yes, please provide documentation regarding the circumstances.

Attachments to this application that are needed to underwrite the loan request are listed below:

- Copies of the business and its owners two most recent years' tax returns (if the business is existing)
- Personal financial statement completed by each owner
- Copies of driver's licenses of all owners
- Interim income statement and balance sheet
- Copies of Articles of Incorporation and Bylaws (if applicable)
- Partnership Agreement (if applicable)
- Copy of business license
- Copy of the business plan outline if start-up business

All applicants must complete and submit the items requested. By signing below, authorization is granted for the potential lender to secure credit background and verification of all disclosed information. In consideration of furnishing assistance and/or counseling to Borrower and/or Owner, Borrower/Owner waives all claims against the lender and its agents in connection with such assistance or counsel.

Borrower:

Signature and Title if Applicable

Date

Owner(s):

Signature and Title if Applicable

Date

Signature and Title if Applicable

Date

Signature and Title if Applicable

Date



LEDA Revolving Loan Fund

Providing opportunities to new and expanding businesses in the City of Lynchburg

This program is provided by



The Lynchburg Economic Development Authority

Contact the Business Development Centre **(434) 582- 6100** or the Lynchburg Office of Economic Development **(434) 455- 4490** for more information.

www.opportunitylynchburg.com

LEDA Loan Pool Eligibility Requirements

Eligible Businesses

- Small businesses in the City of Lynchburg
- Independently owned
- 500 or fewer employees
- Net worth/net assets of 6 million or less
- Average net profit, after federal income taxes for the preceding two years, or less than \$2,000,000

Project Eligibility

- Acquisition of land & building
- Construct/improve facility
- Purchase machinery, equipment & inventory
- Working capital
- Special consideration will be given to redevelopment projects and expansion proposals that create jobs, are located within geographic areas of the City that have a Masterplan (Riverfront, MidTown, Tyreanna, and 5th Street), LEED Certified Construction Projects, Technology Zone Applicants, and participants in the City supported incubator programs.

Loan Parameters

- Loans from \$50,000 to \$250,000
- Short Term loans will not exceed \$50,000 for any one company at a given time.
- Nonrefundable application fee of \$250.00
- A 1% origination fee (less then application fee)
- Fixed rate based on the current prime rate at closing, plus 1%, with a minimum rate of 5%.