



# TOWN OF HOULTON

## DOWNTOWN REVITALIZATION FUNDING INITIATIVE

### *Revolving Loan Fund*

#### **Revolving Loan Fund Program:**

*The objective of this program is to encourage investments that improve the longevity of buildings in the Downtown TIF District through projects upgrading and improving roofing, mechanical systems, fenestration, ADA and life safety compliance. The mortgages placed on property will provide an incentive to pay the funds back to the program so that they can be used to help fund future needs of businesses and building owners in the [Downtown TIF District](#).*

The following criteria will apply:

- Loans are based upon the applicant's credit worthiness and ability to repay.
- Maximum loan amount is \$100,000, minimum amount is \$5,001.
- The interest rate is 3% fixed for the term of the loan.
- The term of the loan is based on the use of proceeds, collateral and cash flow.
- The applicant is responsible for all closing costs.
- Funds are approved on a "first come-first served" basis to qualified applicants.
- Only buildings in the Downtown TIF District are eligible.
- Applicants must be a for-profit entity. Loans are not made to public, quasi-public and non-profit entities.
- Applicant must be
  - the building owner or
  - a tenant with the consent of the landlord for leaseholder improvements allowed and the term of the lease must be the length of the loan, at a minimum.
- A person or ownership interest can only hold one loan from this program at any given time. Once a loan is paid off, a new application will be considered.
- Building project designs and signage must be in accordance with [Houlton's Historic District Ordinance](#).
- Applicant must owe no outstanding property taxes, fees, judgements or liens to the Town of Houlton and have no outstanding code violations, unless the loan is to ameliorate the violation.
- Loans provide gap funding. They are not to be the primary source of financing for a project. Loans are made in conjunction with conventional bank financing, owner equity & other private sources. Preferred project financing structure is 60/30/10:
  - Minimum 60% lead lender/bank financing
  - Minimum 10% owner/borrower equity
  - Maximum 30% Downtown RLF financing
- Insurance is required.
- Loan recipients agree to place a Downtown TIF Financing sign at the construction site during the time of improvements and in their storefront window for 180 days after completion of the project.
- [Application](#) Package will include the following:
  - Completed application
  - Written Business Plan (*assistance is available through [Small Business Development Center](#) – 207-498-8736*)
  - Personal Financial Statement (*viewed only by loan officer*) ([form provided](#))
  - Cash Flow Projections with the first 12 months of the first year detailed by month (3 years total)
  - Schedule of liabilities
  - Personal tax returns (2 years) (*viewed only by loan officer*)
  - Business tax returns (2 years) (*viewed only by loan officer*)
  - Application fee of \$150 – Non-Refundable (*check made payable to Town of Houlton*)

#### **Loan Process:**

- Applicant submits Letter of Intent and Project Overview to the Community Development Director to confirm compliance with the RLF program and local ordinances.
- A confirmation notice will be provided to those that comply.
- Application package is submitted to Northern Maine Development Commission (NMDC). They will review the application for completeness and process the loan application.
- The Houlton TIF Funding Advisory Board reviews NMDC's proposed loan package and prepares a recommendation for Town Manager and Town Council.
- Town Council will take action on recommendations forwarded to them.
- Approved loans will be issued a commitment letter and closing procedures will be initiated.

#### **For More Information**

Nancy Ketch, Director ~ Houlton Community Development Department  
21 Water Street ~ Houlton, Maine ~ 04730 ~ Phone: (207)521-5938 ~ E-mail: [comm.development@houlton-maine.com](mailto:comm.development@houlton-maine.com)





# TOWN OF HOULTON DOWNTOWN REVITALIZATION FUNDING INITIATIVE

## Revolving Loan Fund Application

**Encouraging investments that improve the Longevity of buildings in the Downtown TIF District.**

Information on this form is required in order to start the application process. Certain information will be provided to the Houlton TIF Funding Advisory Board, as required, for loan review. All information will, otherwise, be kept strictly confidential.

Please complete the application and submit to Northern Maine Development Commission, P.O. Box 779, Caribou, ME 04736 with the following items:

- ☐ 1. \$150 Application Fee – Non-Refundable (made payable to Town of Houlton)
- ☐ 2. Written Business Plan (assistance is available through [Small Business Development Center](#) – 207-498-8736)
- ☐ 3. Personal Financial Statement (*viewed only by loan officer*) ([form available](#))
- ☐ 4. Cash Flow Projections with the first 12 months of the first year detailed by month (3 years total)
- ☐ 5. Schedule of liabilities
- ☐ 6. Personal tax returns (2 years) (*viewed only by loan officer*)
- ☐ 7. Business tax returns (2 years) (*viewed only by loan officer*)

### Instructions For Application Form

Sections I, II, III. Please provide the information requested. "You" refers to the proprietor, general partner, or corporate officer signing this form.

#### I. Applicant/Information About You

Name	
Street Address	
City, State, Zip	
Telephone	
Social Security #	
Date Of Birth	
Cell Phone Number	

#### II. Information About Your Business

Name of Business	
Address of Business	
City, State, Zip	
County	
Telephone	
E-Mail Address	
Type of Business	
Date Established	
Present Number of Employees	Number of Employees After Approval
DUNS Number <b>Required</b>	
IRS Employer I.D. Number	
Bank Where Your Business Has an Account	

III. Information About Management:

List the name of all owners, officers, directors, and/or partners. Provide percent of ownership and the annual compensation. Please provide Social Security numbers for anyone owning 20% or more.

Name and Title		% of Ownership	
Address		Annual Compensation	
Name and Title		% of Ownership	
Address		Annual Compensation	
Name and Title		% of Ownership	
Address		Annual Compensation	
Name and Title		% of Ownership	
Address		Annual Compensation	

Section IV. Use of the money; Please indicate the amount needed in the categories that apply below. Please attach the purpose of the funds requested in a legible format.

IV. Project Use Of Funds (Include all sources of funds)

Building	New	Purchase	Renovate
Amount for Building	\$		
Amount for Land	\$		
Amount for New Equipment	\$		
Amount for Equipment Repair	\$		
Other (See Instructions)	\$		

SOURCES OF FUNDS

1. Borrower	\$
2	\$
3	\$
4 Houlton Downtown Facade Grant	\$
5.Houlton Downtown Loan	\$

Section V. Summary of Collateral: If your collateral consists of (A) Land and Building, (B) Inventory, and/or (C) Accounts receivable, fill in the appropriate blanks and provide a copy of your real estate deed and/or an aging of accounts receivable. If you are using (D) Machinery and Equipment, (E) Furniture and Fixtures, and/or (F) other, please provide an itemized list (labeled Exhibit B) that contains serial and identification numbers for all articles that had an original value greater than \$500. Please provide copies of all applicable insurance coverage on collateral being offered.

## V. Summary of Collateral

	Present Market Value	Present Mortgage Balance	Date Purchased	Cost When Purchased
Land and Buildings				
B. Inventory				
C. Accounts Receivable				
D. Machinery and Equipment				
E. Furniture and Fixtures				
F. Other				
<b>Total</b>	\$ -	\$ -		\$ -

## Agreements and Certifications

### Certification:

I/We certify that all information in this application and the Exhibits are true and complete to the best of my/our knowledge and is submitted to Northern Maine Development Commission (NMDC) for consideration by the Town of Houlton for funding from the Houlton Downtown TIF District Revolving Loan Fund Program.

I/We give the assurance that we will comply with sections 112 and 113 of volume 13 of the Code of Federal Regulations. These Code sections prohibit discrimination on the grounds of race, color, sex, religion, marital status, handicap, age, or national origin by recipients of Federal financial assistance and require appropriate reports and access to books and records. These requirements are applicable to anyone who buys or takes control of the business. I/We realize that if I/we do not comply with these non-discrimination requirements the Town of Houlton can call, terminate, or accelerate repayment on my/our loan.

Authority to Collect Personal Information:

This information is provided pursuant to Public Law 93-579 (Privacy Act of 1974).

### Effect on Nondisclosure:

Omission of an item means your application might not receive full consideration.

I/we authorize disclosure of all information submitted in connection with this application to the financial institution agreeing to participate in the loan.

As consideration for any Management and Technical Assistance that may be provided, I/we waive all claims against the Town of Houlton and its consultants.

### Advertising:

It is agreed to by the applicant that the Town of Houlton (administrator for this Revolving Loan Fund) may advertise the fact that, if this loan is approved, assistance has been provided and the benefit associated therewith. ALSO: applicant agrees to allow the posting of a sign indicating that Town of Houlton, through its Revolving Loan Fund program, has provided financial assistance to your business. ALSO; the applicant agrees that the Town of Houlton will participate in all news releases or can organize the same for any completion of the purpose for which the loan proceeds are used.

### Americans with Disabilities Compliance

Borrower certifies that if loan funds are for construction purposes the Borrower is subject to and compliant with the Americans with Disabilities Act, Title III of 1990. Please contact the Town of Houlton with the particulars of the Act.

### Other Disclosures

Borrower understands that the acceptance of this application does not constitute approval for the loan requested.

### Certification Concerning Child Support Obligations

I/We certify that I/We are not more than (60) days delinquent under any administrative order, court order, or other formal agreement requiring the payment of child support.

This information is provided pursuant to Public Law 103-403, Section 612.

## Application Disclosure Statement

I/We understand that by signing this disclosure statement and, if the loan request is approved, I/we will be responsible for all costs incurred in connection with the loan that I/we have applied for. If the loan is approved I/we will be required to provide a deposit upon signing the commitment letter that is sufficient to cover all costs incurred in processing the loan to closing. The non-refundable application fee of \$150 is due when the application is submitted.

It is further understood that if the loan is approved that I/we will be required to have life insurance in an amount sufficient to cover the loan and will be required on each of the borrowers or on the principals of the borrower, if a company, that owns 20% or more of the business. It is also understood that, if Real Estate is involved and taken as collateral, Title insurance will be required and a survey of the property may be required so that the survey exception can be removed from the title insurance policy.

It is also understood that these costs may include, but may not be limited to, all attorney and legal fees, Insurance premiums, recording fees, filing fees, termination and discharge fees associated with the making and closing of this loan.

## Equal Opportunity and Nondisclosure Requirements

In accordance with Title V of P.L. 93-495, the Equal Credit Opportunity Act, the Town of Houlton will not discriminate against any applicant on the basis of race, color, religion, national origin, age, physical or mental handicap (provided that the applicant has the capacity to enter into a binding contract), sex or marital status with respect to any aspect of a credit transaction.

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the Town of Houlton.

**Privacy Act Notice:** This information is to be used by the agency collecting it or its assignees in determining whether you qualify as a prospective borrower under its program. It will not be disclosed outside the agency except as required and permitted by law. You do not have to provide this information, but if you do not your application for approval as a prospective borrower may be delayed or rejected. The information requested in this form is authorized by Title 38, USC. Chapter 37 (if VA); by 12 USC. Section 1701 et seq. (if HUD/FHA).

## Racial/Ethnic Disclosure

The following information is requested by the Federal Government for certain types of loans, in order to monitor the lender's compliance with equal credit opportunity. You are not required to furnish this information, but are encouraged to do so. The law requires that a lender may neither discriminate on the basis of this information nor on whether you choose to furnish it. However, if you choose not to furnish it, under Federal regulations, this lender is required to note race/ethnicity on the basis of visual observation or surname. If you do not wish to furnish the above information, please check the box below.

☐ I do not wish to furnish this information.

Male ☐ Female ☐

White ☐ Black/African American ☐ Hispanic ☐ Asian ☐  
American Indian/Alaskan Native ☐ Native Hawaiian/Other Pacific Islander ☐  
Other ☐

Veteran – Yes ☐ No ☐



## BORROWER'S CERTIFICATION AND AUTHORIZATION

### Certification

The undersigned certify the following:

1. I/We have applied for a loan from the Town of Houlton ("Lender"). In applying for the loan, I/we completed a loan application containing various information on the purpose of the loan, the amount and source of the down payment, employment and income information, and assets and liabilities. I/We certify that all of the information is true and complete. I/We made no misrepresentations in the loan application or other documents, nor did I/we omit any pertinent information.
2. I/We understand and agree that the Lender reserves the right to change the loan review process to a full documentation program. This may include verifying the information provided on the application with the employer and/or the financial institution.
3. I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements when applying for this loan, as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

### Authorization to Release Information

To Whom It May Concern:

1. I/We have applied for a loan from the Town of Houlton ("Lender"). As part of the application process, the Lender may verify information contained in my/our loan application and in other documents required in connection with the loan, either before the loan is closed or as part of its quality control program.
2. I/We authorize you to provide to the Lender and to any investor to whom the Lender may sell my loan and to the guaranty insurer (if any), any and all information and documentation that they request. Such information includes, but is not limited to, employment history and income; bank, money market, and similar account balances; credit history; and copies of income tax returns.
3. The Lender or any investor that purchases the loan or the guaranty insurer (if any), may address this authorization to any party named in the loan application.
4. A copy of this authorization may be accepted as an original.
5. Your prompt reply to the Lender, the investor that purchased the loan or the guaranty insurer (if any) is appreciated.
6. Guaranty insurer (if any): \_\_\_\_\_

### Certification (Addendum to Application)

Pursuant to the Debt Collection Improvement Act of 1996, the undersigned applicant hereby certifies to the following:

**Neither the applicant or any stockholder or partner owning 20% or more in the applicant are delinquent on any Federal indebtedness.**

**If Applicant is a Proprietor of General Partner, Sign Below:**

By: \_\_\_\_\_

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

**If Applicant is a Corporation, Sign Below:**

Business Name: \_\_\_\_\_

By: \_\_\_\_\_

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

It's \_\_\_\_\_

Guarantor \_\_\_\_\_

Date \_\_\_\_\_

Social Security Number/Tax ID Number \_\_\_\_\_

Guarantor \_\_\_\_\_

Date \_\_\_\_\_

Social Security Number/Tax ID Number \_\_\_\_\_

**Submit Completed Application to:**  
Northern Maine Development Commission  
P.O. Box 779, Caribou, ME 04736