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***CITY OF EAST PROVIDENCE***

***Economic Development Commission***

***COMMERCIAL LOAN PROGRAM***

***Program Information  
and  
Material***

Completed applications should be submitted to:

**EAST PROVIDENCE ECONOMIC DEVELOPMENT COMMISSION  
c/o Department of Planning and Urban Development  
City Hall  
145 Taunton Avenue  
East Providence, RI 02914**

Further information and application preparation assistance may be requested by calling the East Providence Department of Planning and Urban Development at (401)435-7531.

The non-refundable application fee of \$200 must accompany the application at the time of submission.

## **LOAN PROGRAM INFORMATION**

### **I. Introduction to the Commercial Loan Program**

The purpose of the East Providence Commercial Loan Program is to create a public investment mechanism for economic and industrial development. This will be achieved by providing partial funding in the form of moderate cost loans to qualified firms to enable them to locate, expand and/or develop business operations in the City.

The Revolving Loan Program may fill the gap in the amount of financing needed by business firms and the amount of funds available through conventional lending sources, thereby leveraging public funds with private capital.

One of the major goals of the program is to encourage and assist industrial and economic development in the City by creating additional job opportunities, job retention, investment in land, buildings and manufacturing equipment to expand the City's tax base and to promote expansion in business investment.

## **II. Program Guidelines**

### **Eligible Types of Loans**

- 1) Fixed asset loans for the acquisition, construction and improvements of land, buildings, plant and equipment including new construction, substantial additions or renovation of existing facilities, demolition and site preparation:
- 2) Loans approved by the Economic Development Commission shall be a minimum amount of \$10,000 and a maximum of \$99,000. Any loans in the amount of \$100,000 or greater require the approval of the East Providence City Council. Loans on land and buildings are limited to fifteen (15) years. Machinery and equipment loans may be limited to a maximum of ten (10) years.

### **Eligible Loan Activities**

- 1) Loans for projects in manufacturing, processing, research and development, and other similar activities;
- 2) Participation with other loan programs such as the SBA 503 Program. In case of the 503 Program, up to five (5) percent of the total project cost or a maximum of \$50,000 could be financed.

### **Interest Rates**

- 1) The interest rate on the city's Industrial Revolving Loan Fund portion will be 20 percent below the prime rate with the prime rate established at the date of closing and adjusted annually on the anniversary date of the closing.
- 2) An annual service fee of one (1) percent of the loan balance will also be charged.

### **Evaluation Standards**

Projects submitted for financing will be evaluated on the following criteria:

- 1) Information provided in the application and financial statement containing financial feasibility and probability of repayment;
- 2) The ratio of dollar amount of the loan requested keyed to the number of jobs and nature of jobs created; priority will be given to employment of East Providence residents;
- 3) The impact of the project on strengthening and expanding the economy of the City.

### **Fees and Expenses:**

- 1) Required at the time of application should be a non-refundable application fee in the amount of \$200.00;
- 2) A Loan Administration fee of one percent (1%) of the initial loan amount will be charged to cover the cost of processing the loan;

- 3) If the application under consideration is approved by the loan committee established by the city, the application fee will be applied entirely toward the Administration Fee;
- 4) All loan closing costs will be paid by the borrowers at the time of closing.

**Ineligible Activities**

- 1) Speculative activities such as land banking and speculative building;
- 2) Loans for investment in interest accounts, certificates of deposits or other investment mechanisms;
- 3) Subsidized interest payment on existing loans;
- 4) Refinancing of loans made by other lenders;
- 5) Providing the entire equity contribution required of borrowers participating in other EDA business loan programs or other loan programs;
- 6) Loan requests for investment property in which the owner would occupy less than 25 percent of the subject property;
- 7) Loan requests for working capital or to cover the purchase of inventory, either wholesale or retail.

# **APPLICATION MATERIAL**

- I. REQUEST FOR FINANCIAL ASSISTANCE**
- II. BENEFIT CRITERIA**
- III. REQUIRED EXHIBITS**
- IV. PERSONAL FINANCIAL STATEMENT**

**APPLICATION FEE**

\$200 Non-refundable Application Fee must accompany the Application

**PROCESSING FEE**

- 1. Direct Loan, without SBA participation, one percent (1%) of Loan amount;
- 2. Direct Loan with SBA, under the "503" Program, one and one half percent (1 1/2%) of the EDC Loan.

**ADMINISTRATIVE FEES**

- 1. Under the SPA "503" Program EDC is allowed to charge an annual fee of .50% of the EDC principal loan balance outstanding, payable on the anniversary date of the loan closing.

**TERMS & CONDITIONS OF APPLICATION**

*Any information given to the EDC will be CONFIDENTIAL.*

- 1. EDC will make every effort to maintain the secrecy of confidential trade secrets and financial information now and hereafter submitted in connection with this application. Consideration of the loan request will take place, however, at a public meeting subject to RI Open Meeting Law requirements.
- 2. EDC shall not be liable for expenses incurred by the applicant in preparation and submission of any request for financial assistance.
- 3. The applicant will be responsible for any or all legal expenses incurred by EDC, whether or not the loan is made.
- 4. Request for financial assistance will be approved or rejected at the discretion of the Economic Development Commission and the City of East Providence. The approval will be conditioned on the negotiation of an appropriate legal agreement between the applicant and the City of East Providence and may be conditioned on the availability of funds.

The Commission's commitment to offer a loan shall be valid for 60 days unless otherwise extended with the concurrence of both parties.

- 5. The application gives assurance of compliance with the Title IV of the Civil Rights Act of 1964, as amended. The Act prohibits discrimination on grounds of race, sex, color, religion, marital status, handicap, age or national origin...

- 6. The applicant agrees that full payment of any loan from the EDC will be due if said firm receiving the loan relocates at a subsequent date outside the City of East Providence.

**I have read and accept the conditions of the application form and affix my signature on this \_\_\_\_\_ day of \_\_\_\_\_.**

**Signed:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**II. Benefit Criteria**

**A. Job Creation and Retention**

- 1. Number of New Permanent Jobs to be created \_\_\_\_\_
- 2. Number of Existing Jobs to be retained \_\_\_\_\_
- 3. New Employment and Information \_\_\_\_\_

<b>Job Title</b>	<b># of New Positions</b>	<b>Annual Wage</b>

- 4. Projected Number of new employees with an Annual Wage below \$22,700 \_\_\_\_\_
- 5. Does your company have a training program for the new positions created? Yes\_\_\_\_ No \_\_\_\_
- 6. Does your company use state or local agencies for identifying and/or training new employees? Yes\_\_\_\_ No \_\_\_\_

*If no is checked for No. 5 and 6, please described how your company will make new positions available to low-to-moderate income residents of East Providence:*

**B. Property Tax Information**

- 1. Current annual property tax payment to the City of East Providence. \$ \_\_\_\_\_
- 2. Projected annual tax payment to the City at completion of the project. \$ \_\_\_\_\_
- Increase in Property Tax. \$ \_\_\_\_\_

**C. Other Benefit Criteria**

- 1. Please describe other benefits for the residents of the City of East Providence that will accrue as a result of the assistance requested:

### **III. Required Application Exhibits**

#### **CITY OF EAST PROVIDENCE ECONOMIC DEVELOPMENT COMMISSION**

The following information, as appropriate, will be required from each applicant before a review can be conducted. The Check List may be modified from time to time, depending upon the nature of the request. Please submit each exhibit as indicated:

#### **Exhibit:**

1. Request for Financial Assistance Form.
2. History and description of the business.
3. Statement detailing the exact uses of the loan proceeds.
4. Resumes and current personal financial statement of all officers and/or directors and owner of 10% or more of the business's stock.
5. Balance sheet and profit and loss statement for the previous three to five years.
6. Current balance sheet and a current operating statement (not over 90 days old).
7. Pro-forma balance sheet and projected operating statements for two years.
8. Monthly cash flow for the first twelve months of operation or three months beyond the breakeven point.
9. The names of affiliates and/or subsidiary firms. Include the latest available financial information.
10. List the original date and amount, present balance owned, interest rate, monthly payment, maturity and security for each loan or debt that your business currently has. Please indicate whether the loan is current or delinquent.
11. If the business is a franchise, include a copy of the franchise agreement.
12. Copy of existing or proposed lease or purchase agreement or other financing arrangements.
13. List of collateral to be offered as security.
14. Description and appraisals of the property being acquired. A purchase and sale agreement for the property.
15. Preliminary plans and specifications and estimates of costs covering new construction, and/or machines and equipment.
16. Letter from the participating bank and/or other funding sources describing the loan commitment, the amount of loan, the rate of interest, and the term of the loan.

17. Benefit Criteria: Using the attached form, describe the anticipated benefits of the project for the City of East Providence.

**EAST PROVIDENCE ECONOMIC DEVELOPMENT PROGRAM (EPEDP)  
INDUSTRIAL LOAN PROGRAM  
EAST PROVIDENCE CITY HALL - 145 TAUNTON AVENUE  
EAST PROVIDENCE, RHODE ISLAND 02914**

**EPEDP DOES BUSINESS IN ACCORDANCE WITH TITLE VI,  
CIVIL RIGHTS ACT OF 1965 AND THE EQUAL CREDIT  
OPPORTUNITY ACT AND AMENDMENTS OF 1976**

**IT IS ILLEGAL TO:**

DISCOURAGE a loan inquiry or refuse to accept a written loan application:

DISCRIMINATE in fixing the amount, interest rate, duration, application procedures, or other terms  
or conditions of a loan:

**ON THE BASIS OF  
RACE, COLOR, NATIONAL ORIGIN, RELIGION, SEX,  
MARITAL STATUS OR AGE**

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IF YOU BELIEVE YOU HAVE BEEN DISCRIMINATED AGAINST, YOU MAY:

SPEAK with the management of EPEDP

COMPLAIN TO: The Rhode Island Commission for Human Rights

CONSIDER filing a civil suit under Federal laws.

**EPEDP  
"AN EQUAL OPPORTUNITY LENDER"**

**Request For Financial Assistance**

City of East Providence

East Providence Economic Development Program

II. Industrial/Commercial Loan Program

East Providence City Hall – 145 Taunton Avenue

East Providence, Rhode Island – (401) 435-7531

Fax: (401) 435-7611 email: [jmoran@cityofeastprov.com](mailto:jmoran@cityofeastprov.com)

For EDC use  
only:  
  
App. No.....

**I. Applicant Business**

Name and Title: \_\_\_\_\_  
Name of Business: \_\_\_\_\_  
Street Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Date Business Established: \_\_\_\_\_  
Number of Employees: \_\_\_\_\_  
Type of Business: \_\_\_\_\_  
Sales Volume Latest Year: \_\_\_\_\_  
Profit (Loss) Last Year: \_\_\_\_\_  
Bank where your Business has an Account: \_\_\_\_\_

**II. Management: List the names of all owners (having 10% or greater interest, officers, directors and/or partners. Provide the percent of ownership and the annual compensation.**

Name \_\_\_\_\_  
Title \_\_\_\_\_  
Address \_\_\_\_\_  
Annual Compensation \$ \_\_\_\_\_  
Percent of Ownership \_\_\_\_\_

Name \_\_\_\_\_  
Title \_\_\_\_\_  
Address \_\_\_\_\_  
Annual Compensation \$ \_\_\_\_\_  
Percent of Ownership \_\_\_\_\_

Name \_\_\_\_\_  
Title \_\_\_\_\_  
Address \_\_\_\_\_  
Annual Compensation \$ \_\_\_\_\_  
Percent of Ownership \_\_\_\_\_

**III. Product/Services**

Describe:

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**IV. Project Impact**

Describe:

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Time needed to complete project: \_\_\_\_\_

**V. Distribution of Total Project Costs/ Financing**

Real Estate \$ \_\_\_\_\_

Applicant/Business \$ \_\_\_\_\_

L/H Improvements \$ \_\_\_\_\_

Bank \$ \_\_\_\_\_

Machinery/Equipment \$ \_\_\_\_\_

SBA/IRB \$ \_\_\_\_\_

Other (explain) \$ \_\_\_\_\_

Total Project Cost \$ \_\_\_\_\_

Total Project Financing \$ \_\_\_\_\_

Amount Requested from EDC \$ \_\_\_\_\_

**I. Other Capital Resources**

Name and Address of Other Organizations which at any time have funded this project:

Name \_\_\_\_\_

Address \_\_\_\_\_

Source of Your Share of the Project Funds:

\_\_\_\_ Sales of Present Line

\_\_\_\_ Venture Capital

\_\_\_\_ Bank

\_\_\_\_ Loans

\_\_\_\_ Other

Source of Working Capital after Project is Complete: \_\_\_\_\_

Agreement: The applicant agrees that full payment of any loan from the EDC will be due if said firm receiving the loan relocates at a subsequent date outside the City of East Providence. A have read and accept the conditions of the application form and affix my signature on this \_\_\_\_ day of \_\_\_\_\_ 20\_\_

**Signed:** \_\_\_\_\_

**IV. Personal Financial Statement**  
City of East Providence  
East Providence Economic Development Program  
Industrial/Commercial Loan Program  
East Providence City Hall – 145 Taunton Avenue  
East Providence, Rhode Island – (401) 435-7531  
Fax: (401) 435-7611 email: [jmoran@cityofeastprov.com](mailto:jmoran@cityofeastprov.com)

For EDC use only:  App. No.....
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<b>Section 1. Individual Information</b>	<b>Section 2. Other Party Information</b>
Name:	Name:
Residence Address:	Residence Address:
City, State, ZIP:	City, State, ZIP:
Position or Occupation:	Position or Occupation:
Business Name:	Business Name:
Business Address:	Business Address:
City, State, Zip:	City, State, Zip:
Res. Phone:                      Bus. Phone:                      email:	Res. Phone:                      Bus. Phone:                      email:

<b>Section 3. Statement of Financial Condition as of _____, 20__</b>			
<b>Assets</b> (Do not include assets of doubtful value)	<b>In Dollars</b> (omit cents)	<b>Liabilities</b>	<b>In Dollars</b> (omit cents)
Cash on hand and in banks		Notes Payable to banks – secured	
US Government & Marketable Securities (See Schedule A)		Notes Payable to banks - unsecured	
Non-marketable Securities (See Schedule B)		Due to brokers	
Securities held by brokers in margin accounts		Amounts payable to others – secured	
Restricted or Controlled stocks		Amounts payable to others - unsecured	
Partial Interest in Real Estate Equities- See Schedule C		Accounts and bills due	
		Unpaid Income Tax	
Real Estate Owned – See Schedule D		Other unpaid interest and taxes	
Loans Receivable		Real Estate Mortgages payable – See schedule D	
Automobiles and other personal property			
Cash Value–Life Insurance – see Schedule E		Other debts - itemize	
Other Assets – itemize			
		<b>TOTAL LIABILITIES</b>	
		<b>NET WORTH</b>	
<b>TOTAL ASSETS</b>		<b>TOTAL LIABILITIES AND NET WORTH</b>	

Sources of Income For Year Ended _____, 20__		Personal Information
Salary, bonuses and commissions	\$	Do you have a will? _____ If so, name of executor
Dividends	\$	
Real Estate Income	\$	
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)		Are you obligated to pay alimony, child support or separate maintenance payments? _____ If so, describe.
<b>TOTAL</b>		Are any assets pledged other than as described on schedules? _____ If yes, describe.
<b>CONTINGENT LIABILITIES</b>		Income tax settled through (date)
As endorser, co-maker or guarantor?	\$	Are you a defendant in any suits or legal actions?
On lease or contracts?	\$	
Legal Claims	\$	Personal Bank Accounts carried at:
Other Special Debt	\$	
Amount of contested income tax liens	\$	Have you ever been declared bankrupt? ____ If so, describe.

**SCHEDULE A – U.S. GOVERNMENT & MARKET SECURITIES**

Number of Shares or Face Value (Bonds)	Description	In Name of	Are these pledged?	Market Value

**SCHEDULE B – NON-MARKETABLE SECURITIES**

Number of Shares	Description	In Name of	Are these Pledged?	Source of Value	Value

**SCHEDULE C – PARTIAL INTEREST IN REAL ESTATE EQUITIES**

Address & Type of	Title in Name	% of	Date	Cost	Market	Mortgage	Mortgage
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Property	of	ownership	Acquired		Value	Maturity	Amount

**SCHEDULE D – REAL ESTATE OWNED**

Address & Type of Property	Title in Name of	Date Acquired	Cost	Market Value	Mortgage Maturity	Mortgage Amount

**SCHEDULE E – LIFE INSURANCE CARRIED, INCLUDING NSLI AND GROUP INSURANCE**

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

**SCHEDULE F – BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED**

Name and address of lender	Credit in the name of	Secured or unsecured	Original date	High credit	Current Balance

THE INFORMATION CONTAINED IN THIS STATEMENT IS PROVIDED FOR THE PURPOSE OF OBTAINING, OR MAINTAINING CREDIT WITH YOU ON BEHALF OF THE UNDERSIGNED, OR PERSONS, FIRMS OR CORPORATIONS IN WHOSE BEHALF THE UNDERSIGNED MAY EITHER SEVERALLY OR JOINTLY WITH OTHERS, EXECUTE A GUARANTY IN YOUR FAVOR. EACH UNDERSIGNED UNDERSTANDS THAT YOU ARE RELYING ON THE INFORMATION PROVIDED HEREIN (INCLUDING THE DESIGNATION MADE AS TO OWNERSHIP OF PROPERTY) IN DECIDING TO GRANT OR CONTINUE CREDIT. EACH UNDERSIGNED REPRESENTS AND WARRANTS THAT THE INFORMATION PROVIDED IS TRUE AND COMPLETE AND THAT YOU MAY CONSIDER THIS STATEMENT AS CONTINUING TO BE TRUE AND CORRECT UNTIL A WRITTEN NOTICE OF A CHANGE IS GIVEN TO YOU BY THE UNDERSIGNED. YOU ARE AUTHORIZED TO MAKE ALL INQUIRIES YOU DEEM NECESSARY TO VERIFY THE ACCURACY OF THE STATEMENTS MADE HEREIN AND TO DETERMINE MY/OUR CREDITWORTHINESS. YOU ARE AUTHORIZED TO ANSWER QUESTIONS ABOUT YOUR CREDIT EXPERIENCE WITH ME/US.

**SIGNATURE (INDIVIDUAL)** \_\_\_\_\_

**SOCIAL SECURITY NUMBER** \_\_\_\_\_ **DATE OF BIRTH** \_\_\_\_\_

**DATE SIGNED** \_\_\_\_\_ , 20\_\_\_\_

**SIGNATURE (SECOND PARTY, IF NEEDED)** \_\_\_\_\_

**SOCIAL SECURITY NUMBER** \_\_\_\_\_ **DATE OF BIRTH** \_\_\_\_\_

**DATE SIGNED** \_\_\_\_\_ , 20\_\_\_\_