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## Southwest Central Regional Economic Development Authority Small Business Revolving Loan Fund Program Application Packet

The Southwest Central Regional Economic Development Authority appreciates your entrepreneurship to create or expand a business in Nye County/Esmeralda, Nevada. The Small Business Revolving Loan Fund Program has been established to assist entrepreneurs whose businesses need loan funding in amounts between \$500.00 and \$5,000.00.

Please review the following Small Business Revolving Loan Fund Guidelines and Principals to ensure that your existing or proposed business is eligible for a loan. If you believe your existing or planned business to be eligible for a loan, please complete the enclosed loan application.

Upon receipt of your application, it will be reviewed by the Fund Manager to determine if it is complete or if additional information is needed. Within 7 days of receipt of your completed loan application, you will be notified if the application is complete or if additional information is required. All complete applications will then be forwarded to the Loan Committee for review and to decide whether the requested loan shall be presented to the Nye or Esmeralda Loan Board for approval. SWCREDA will strive to notify you within 21 days of submitting a complete loan application whether your request for a loan has been approved.

Should you have questions regarding the Small Business Revolving Loan Fund please contact the Fund Manager at (775) 751-7091 or [SWCREDA@gmail.com](mailto:SWCREDA@gmail.com)



## **Guidelines and Principals**

### **Southwest Central Regional Economic Development Authority**

### **Small Business Revolving Loan Fund Program**

#### **Why Was the Small Business Revolving Loan Fund Established?**

Given high rates of local unemployment, establishment of new and retention of existing small businesses is an important need in Nye County/Esmeralda. Limitations exist in the availability of small loans to cover start-ups and expansion of small businesses struggling to meet short to intermediate term obligations or to expend funds to meet emerging opportunities. The Small Business Revolving Loan Fund Program (RLF) will be used to fill financing gaps faced by small businesses in Nye County/Esmeralda. The ultimate goal is for these entrepreneurs to become financially independent and eligible for loans from commercial banks.

The RLF has been established to create employment opportunities, increase local incomes, and enhance Nye County/Esmeralda tax base through the retention and expansion of existing businesses, and the development of new businesses in the area. The RLF program will provide interest rates and loan maturities that are designed to encourage business development, retention and expansion, while providing for the recapitalization and growth of the Fund. The loans are not intended to be a substitute for conventional private financing but rather an additional tool available to fill financing needs and gaps, and also to serve as an economic development tool to encourage business development, retention, and expansion in Nye County/Esmeralda.

#### **What are the Objectives of the Small Business Revolving Loan Fund?**

Preliminary objectives for the RLF program include:

- To perpetuate a positive and proactive business climate which encourages the retention and growth of existing businesses by assisting with their expansion and modernization plans.
- To expand and diversify the economic tax base of Nye County/Esmeralda by assisting small businesses and start-up companies.
- Assisting distressed small businesses impacted by the national recession.
- To maintain and promote a diverse mix of employment opportunities while encouraging the increase of overall wages and benefits in Nye County/Esmeralda by assisting firms which pay good wages and offer comprehensive benefit packages, or represent considerable potential for employee enhancement in terms of skill development, in addition to wage and benefit growth.
- To encourage a diverse mix of local businesses in Nye County/Esmeralda communities.

## **What Size of Loans Will Be Provided by the Small Business Revolving Loan Fund?**

The RLF will offer loans of \$500 to \$5,000 to small businesses in Nye County/Esmeralda whose owners cannot obtain regular commercial credit due to the small size and/or the lack of a proven track record of their business.

## **What Are the Basic Eligibility Requirements to Obtain a Small Business Revolving Loan Fund?**

### **Basic Eligibility Requirements: All Businesses**

- Be located in Nye County/Esmeralda and resident
- Create at least 1 new job or retain at least 1 existing job.
- Must be a small and emerging private business enterprise (any private business which will employ 50 or fewer new employees and has less than \$1 million in projected gross revenues).
- Have firm financial commitments for other components of the business to be financed.
- Be willing to comply with all regulations, guidelines, policies, and requirements, as they relate to the program.
- Demonstrate that financing is not otherwise available on terms or conditions that would permit successful operation of the business activities to be financed.
- Demonstrate credit worthiness and the ability to repay the loan.
- Business independently owned, operated and controlled.
- Be willing to participate in locally provided small business training opportunities (i.e. Preparing a Business Plan; Marketing and Advertising; Financial Record-keeping).

### **Basic Eligibility Requirements: Startup Businesses**

- Business Plan and have same industry experience.
- Secondary source of income, besides the developing business income.
- Owner's equity injection into the business at least 10% of the requested loan amount.

### **Basic Eligibility Requirements: Existing Businesses**

- Executive summary of the operations and management of the business.
- Owner's equity injection into the business at least 10% of the requested loan amount.
- Must have a current applicable Business License within the Town the business resides in (if applicable).
- Must have been in existence for at least two years.

## **What Are the Eligible Uses of Small Business Revolving Loan Funds?**

- Working capital (i.e. payroll, advertising, covering cash "gap")
- Inventory purchase
- Equipment and machinery
- Startup costs
- Leasehold improvements
- Refinance credit card debt used on starting and/or running the business

### **What are Ineligible Uses of Small Business Revolving Loan Funds?**

- Personal expenses
- Purchase of Real Estate

### **What Interest Rates and Repayment Terms Apply to Small Business Revolving Loan Funds?**

#### Startup Businesses:

- Loans between \$500 and \$2,500, 2.5%; Maximum Repayment Term: 24 months
- Loans between \$2,501 and \$5,000, 3%; Maximum Repayment Term: 36 months

#### Existing Businesses:

- Loans between \$500 and \$2,500, 2%; Maximum Repayment Term: 24 months
- Loans between \$2,501 and \$5,000; 2.5%; Maximum Repayment Term: 36 months

Non-refundable Administrative Fee of 100.00 dollars:

### **Who will Review and Approve Applications for Small Business Revolving Loan Funds?**

Upon receipt of your application, the Fund Manager will review it to determine if it is complete or if additional information is needed. Within 7 days of receipt of your completed loan application, you will be notified if the application is complete or if additional information is required. All complete applications will then be forwarded to the Loan Committee for review and to decide whether the requested loan shall be presented to the SWCREDA Executive Board for approval. SWCREDA will strive to notify you within 21 days of submitting a complete loan application whether your request for a loan has been approved.

### **What are the Steps to Applying for a Small Business Revolving Loan Funds?**

#### Step 1: Attend an Optional Free Orientation Meeting

- Provision of application materials
- Answer questions about the RLF program

#### Step 2: Complete the Application Process

- Complete the Loan Application including all forms provided
- Submit signed loan application to the Fund Manager via mail or e-mail.

#### Step 3: Application Review

- Reviewed by the Fund Manager to determine if it is complete or if additional information is needed.

- Application will then be forwarded to the Loan Committee for review and approval to Board of Managers.
- Location of business development will determine if the Board of Managers of Nye or Esmeralda will meet and approve or deny loan.

#### Step 4: Loan Closing

Before loan documents are created, applicant will be asked to provide:

- Proof of insurance on all business assets.
- Promissory Note for repayment of loan.
- Business Loan Agreement
- Commercial Guaranty
- Commercial Security Agreement
- Corporate Resolution to Borrow

#### Step 5: Start or Grow the Small Business

- Loan funds distributed directly to applicant and/or suppliers according to loan application.
- Fund Manager or SWCREDA representative will work with the business development for the first 6 months.

### **What are the Servicing Procedures for Small Business Revolving Loan Funds?**

#### **Loan Payment and Collection Procedures**

The RLF borrower will make a monthly payment, for the amount indicated in the loan agreement, by check by the designated payment date. The payment will be received by the SWCREDA Executive Director or Fund Manager, who will stamp the check for deposit only, endorse the check, make two copies (for cash receipts recording by two separate persons) and deposit the check on the same day it is received or on the next immediate banking day if the check is received on a weekend. The check will be deposited in a bank with FDIC coverage, or if the amount in any one bank exceeds the \$100,000 limit, the bank will provide collateral at least equal to the excess.

#### **Loan Monitoring Procedures**

SWCREDA staff will service and administer the RLF loans or may enter into an agreement for a third-party to Administer. This will include the coordination of RLF loan closings with other participating lenders, disbursement of RLF funds and servicing to ensure proper fund management and timely payment of principal and interest. An annual review by staff will evaluate each loan using criteria obtained from the goals and objectives of the RLF Plan. Factors such as the number and types of jobs retained or created, potential for future jobs, increase in



tax revenues, management and financial stability, status as a minority business or women's business, and ratio of loan fund dollars to the number of jobs retained or created will be utilized as evaluation mechanisms for the Small Business Revolving Loan Program. Staff is responsible for the administration, monitoring and servicing of the loan from loan disbursement through full payment. The staff will make periodic visits to the borrower's business during the first 6 months to monitor the loan agreement for defaults in covenants and maintain a loan payment schedule. The loan payment schedule will be kept up to date with payments posted as to principal and interest. Delinquencies in payments will be addressed by mail, telephone, or personal visits from staff. Delinquencies can be resolved by loan restructuring, moratorium on payments or other techniques upon approval of the loan committee. Unresolved delinquencies will be declared loan default and foreclosure procedure will be initiated if appropriate.

***Nye County/Esmeralda Regional Economic Development  
Small Business Revolving Loan Fund  
APPLICATION***

Applicant Name(s) _____	Full Address _____
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Name of Applicant Business _____				Tax I.D. No. or SSN _____
Full Street Address of Business _____				Tel. No. (inc. area code) _____
City: _____	County: Nye (required)	State: Nevada	ZIP _____	Number of Employees (Including subsidiaries and affiliates) At Time of Application _____ If Loan is Approved _____
Type of Business: <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Other: _____		Date Business Established: _____		
Describe Business: (Attach additional sheet, as needed) _____				



Bank of Business Account and Address  
 \_\_\_\_\_

**Credit Request**

<b>Total Loan Amount Requested:</b> \$ _____	<b>Requested Loan Term:</b> _____ / Months Please note: loans between \$500 and \$2,500, maximum term is 24 months; loans between \$2,501 and \$5,000, maximum loan term is 36 months.
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**Planned Itemized Use of Loan (Please add comments if needed)**

	<b>Breakdown of Loan request by dollar amount</b>		<b>Breakdown of Loan request by dollar amount</b>
Startup Costs	\$ _____	Working Capital (i.e. payroll, advertising, covering cash "gap", accounts payable)	\$ _____
Furniture or fixtures (acquisition/repair)	\$ _____	Purchase Inventory (Specify)	\$ _____
Machinery and Equipment (Acquisition/Repair)	\$ _____	Debt Consolidation/refinance if it meets one of the Basic Eligibility Requirements for all businesses (see Guidelines and Principles)	\$ _____
Leasehold improvements	\$ _____	Refinance credit card debt used in starting and /or running business	\$ _____
Other	\$ _____	Other	\$ _____

**Business Estimated Projections (required for all loans whether for new or existing business)**

DESCRIPTION	YEAR 1	YE AR 2	Y
			E A R 3
<b>PROFIT</b>			
(A) Gross Receipts	\$ _____	\$ _____	\$ _____
(B) Cost of Goods Sold	\$ _____	\$ _____	\$ _____



(C) Gross Profit (A minus B)	\$ _____	\$ _____	\$ _____
<b>EXPENSES</b>			
(D) Advertising & Promotion	\$ _____	\$ _____	\$ _____
(E) Bank Service Charges	\$ _____	\$ _____	\$ _____
(F) Auto Expense	\$ _____	\$ _____	\$ _____
(G) Amortization	\$ _____	\$ _____	\$ _____
(H) Depreciation	\$ _____	\$ _____	\$ _____

(I) Dues and Subscriptions	\$ _____	\$ _____	\$ _____
(J) Employee Benefit Programs	\$ _____	\$ _____	\$ _____
(K) Freight	\$ _____	\$ _____	\$ _____
(L) Interest	\$ _____	\$ _____	\$ _____
(M) Insurance	\$ _____	\$ _____	\$ _____
(N) Leased Equipment	\$ _____	\$ _____	\$ _____
(O) Legal & Professional Services	\$ _____	\$ _____	\$ _____

(P) Office Expense	\$ _____	\$ _____	\$ _____
(Q) Pension/Payroll Taxes	\$ _____	\$ _____	\$ _____
(R) Rent	\$ _____	\$ _____	\$ _____
(S) Repairs & Maintenance	\$ _____	\$ _____	\$ _____
(T) Supplies	\$ _____	\$ _____	\$ _____
(U) Taxes & Licenses	\$ _____	\$ _____	\$ _____
(V) Travel & Entertainment	\$ _____	\$ _____	\$ _____

(W) Utilities & Telephone	\$ _____	\$ _____	\$ _____
(X) Wages: (Gross)	\$ _____	\$ _____	\$ _____
Salaries – Officers	\$ _____	\$ _____	\$ _____
Owner Draws	\$ _____	\$ _____	\$ _____
Payroll	\$ _____	\$ _____	\$ _____
(Y) Miscellaneous	\$ _____	\$ _____	\$ _____
(Z) TOTAL OPERATING EXPENSE (sum of D thru Y)	\$ _____	\$ _____	\$ _____

<b>NET PROFIT (C minus Z)</b>	\$ _____	\$ _____	\$ _____

<b>Current Business Financial Statement (required for existing businesses)</b>			
<b>Business Assets (omit cents)</b>		<b>Business Liabilities (omit cents)</b>	
Cash on Hand	\$ _____	Accounts Payable	\$ _____
Accounts Receivable	\$ _____	Notes Payable to Banks	\$ _____
Savings Account	\$ _____	Notes Payable to Others	\$ _____
Checking Account	\$ _____	Installment Accounts	\$ _____
Equipment	\$ _____	Real Estate Loans	\$ _____
Real Estate	\$ _____	Unpaid Taxes	\$ _____
Other Personal Property	\$ _____	Other Liabilities	\$ _____
Other Assets	\$ _____	<b>Total Business Liabilities</b>	\$ _____
<b>Total Business Assets</b>	\$ _____	<b>Net Worth (Assets – Liabilities)</b>	\$ _____
<b>Current Personal Financial Statement (required for all applicants)</b>			
<b>Personal Assets (omit cents)</b>		<b>Personal Liabilities (omit cents)</b>	
Cash on Hand	\$ _____	Accounts Payable	\$ _____
Savings Account	\$ _____	Notes Payable to Banks	\$ _____
Checking Account	\$ _____	Notes Payable to Others	\$ _____
IRA or other Retirement Account	\$ _____	Installment Accounts	\$ _____
Stocks and Bonds	\$ _____	Real Estate Loans	\$ _____
Real Estate	\$ _____	Other Liabilities	\$ _____
Automobile – Present Value	\$ _____	Unpaid Taxes	\$ _____
Other Personal Property	\$ _____		\$ _____
Other Assets	\$ _____	<b>Total Personal Liabilities</b>	\$ _____
<b>Total Personal Assets</b>	\$ _____	<b>Net Worth (Assets – Liabilities)</b>	\$ _____

**CERTIFICATION**

The undersigned certifies that, to the best of his or her knowledge and belief, all information contained in this loan application and any accompanying statements and documents is true, complete and correct. The undersigned agrees to notify the Nye County/Esmeralda Regional Development Authority immediately of any material changes



in this information. The undersigned further certifies that these statements are made for the purposes of obtaining a loan currently located, or proposed to be, located within Nye County/Esmeralda, Nevada.

Signature

\_\_\_\_\_ Date

\_\_\_\_\_ Print Name

Signature

\_\_\_\_\_ Date

\_\_\_\_\_ Print Name

**Email Completed Application to [SWCREDA@DoingBusinessInNye.net](mailto:SWCREDA@DoingBusinessInNye.net) or  
Mail to: SWCREDA ● P.O. Box 822 ● Pahrump, NV 89041**

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## SWCREDA Loan Application Checklist

The following must be submitted with your application to complete your package.

- SWCREDA Small Business Revolving Loan Fund Application** – To begin the process, you will need to complete an SWCREDA loan application. Access the most current application at: [www.DoingBusinessInNye.net](http://www.DoingBusinessInNye.net)
- Non-refundable fee** – 10% of loan amount requested, not to exceed \$100
- Copy of Photo ID**
- Business Overview and History** – Provide a brief history of the business and its challenges. Include an explanation of why the SWCREDA loan is needed, how it will help the business and the number of jobs that will be created or saved.
- Business Plan** - (not required, but will add value to loan application)
- Ownership, Affiliations and Resumes** – Include a list of names and addresses of any subsidiaries and affiliates; include personal resumes for each principal.
- Business License** – Copy of original business license from Town the business resides in (if applicable) and State.
- Business Lease** – Include a copy of your business lease, or note from your landlord, giving terms of proposed lease.
- Business Financial Statements** – To support your application and demonstrate your ability to repay the loan, prepare and include the following current financial statements:
  - € Balance Sheet
  - € Profit and Loss (P&L) Statement
- Income Tax Returns** – Include signed **personal** and **business** federal income tax returns of your business' principals for previous three years.
- If You are Purchasing an Existing Business** – The following information is needed for purchasing an existing business:



- € Current balance sheet and P&L statement of business to be purchased
- € Previous two years federal income tax returns of the business
- € Proposed Bill of Sale including Terms of Sale
- € Asking price with schedule of inventory, machinery and equipment, furniture and fixtures

- Signed SWCREDA Credit Authorization form (included)
- Signed SWCREDA Agreement and Certification form (included)
- Signed SWCREDA Criminal History form (included)
- Completed USDA Rural Development form 1940-20 – Request for Environmental Information (included)

## SWCREDA Credit Authorization Form

I authorize the Southwest Central Regional Economic Development Authority to request verification of my bank accounts, other assets, and employment earnings records, and to order a consumer credit report. I further authorize my banks and employer(s) to accept a copy of this document as their authorization to release such information.

Applicant Name (printed): \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

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Co-Applicant Name (printed): \_\_\_\_\_



Social Security Number: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Co-Applicant Signature

\_\_\_\_\_  
Date

**This information is confidential and will only be used to process submitted loan applications**

## **SWCREDA Agreement and Certification form**

I/We Agree and/or Certify:

That there are no other applications or requests for financing active at traditional lending institutions for funding on this project. If that changes, we will notify SWCREDA immediately.

That all information submitted in this loan application is accurate and complete to the best of my/our knowledge.

To authorize disclosure of information submitted in this application to other participating financial institutions.

That the proceeds of this loan, if approved, will be used as set forth in this application and as disclosed to the Southwest Central Regional Economic Development Authority.

To pay such fees as are disclosed by the Southwest Central Regional Economic Development Authority and authorized by the funding agencies including loan origination fees and legal fees.

As consideration for any Management and Technical Assistance that may be provided, to waive all claims against the Southwest Central Regional Economic Development Authority, it's officers, directors, and members.

That no owner or officer of my/our company or members of my/our immediate families will have any ownership interest which would create a conflict of interest as a result of receipt of





funding from the lending programs as outlined in the USDA - Rural Development instructions 4274-D section 4274.308.

The Southwest Central Regional Economic Development Authority reserves the right to verify any and all information submitted in this application at their discretion.

\_\_\_\_\_  
Applicant Name (printed)

\_\_\_\_\_  
Co-Applicant Name (printed)

\_\_\_\_\_  
Applicant Signature                      Date

\_\_\_\_\_  
Co-Applicant Signature                      Date

## SWCREDA Criminal History Information form

A history of criminal conviction(s) will not necessarily result in the denial of your application for a loan. An untruthful answer, however, will cause your application for a loan to be denied. If you answer yes to any of the following questions, please provide the date of the conviction, the location where the conviction occurred, the name under which you were convicted, the sentence you were given and any information regarding the conviction which you feel is pertinent to the extension of credit.

1. Have you, any officers of the corporation or any guarantor or surety of the loan been convicted of any crime other than a minor traffic violation?

Yes                       No

2. Are you, any officers of the corporation or any guarantor of surety of the loan presently being supervised on probation, parole or pursuant to a pretrial diversion program?

Yes                       No

3. Do you, any officers of the corporation or any guarantor or surety of the loan have a criminal proceeding presently against you or them?

Yes                       No

If answered Yes to any of the above questions please provide explanation: \_\_\_\_\_



\_\_\_\_\_  
Applicant Name (printed)

\_\_\_\_\_  
Co-Applicant Name (printed)

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Applicant Signature

\_\_\_\_\_  
Date