

Purpose & Instructions

Thank you for your interest in the City of Mauston's Revolving Loan Fund. The City of Mauston is committed to helping small businesses succeed, and has established a Revolving Loan Fund to provide small business loans as supplement financing and startup costs.

General Conditions

Loan Amount is always subject to availability of funds. There is no set minimum or maximum, but generally loans will not exceed the 20% of available funds.

Interest Rate – The rate may be fixed or graduated on a fixed schedule. In no case shall the rate be less than 4.00%

Term – In no case will the term of the loan be longer than the term of private financing. The maximum term of a loan is 12 years; however, amortization can be up to 20 years to provide an option to refinance for an additional 8 years.

Collateral – Adequate security will be required. This will entail a liens on all assets purchased with RLF funds as well as liens on other assets as necessary. Personal guarantees of the principal owners (more than 20% of the firm) will be required. RLF is willing to take a subordinate position if justified in the loan proposal.

Repayment – The repayment schedule shall be monthly. Interest and/or principle payments may be deferred up to a year if justified in the loan proposal.

Project Completion – All project costs shall be completed within 24 months of loan approval.

Review Process

The Revolving Loan Fund Application process could take up to 60 days depending upon the date you apply.

Preliminary Review – The Administrator will review the application for completeness and verify that the proposed project meets the minimum requirements provided in Section 3.6. If the application is not complete, the Administrator will inform the applicant of the deficiencies.

Formal Review – The Loan Review Committee will meet to review an application within 30

days of the receipt of a completed application or at some other predetermined schedule. If the application is denied, the Administrator will communicate by letter reasons for rejection and offer to meet to explore alternatives.

Final Review – The Loan Review Committee will forward acceptable proposals and recommended conditions and terms to the governing body for final approval. Upon the tentative acceptance by the governing body, the Administrator will contact the business in writing to review and explain the terms of the loan.

Closing – If the application is approved, a closing will be scheduled to execute the necessary loan documents.

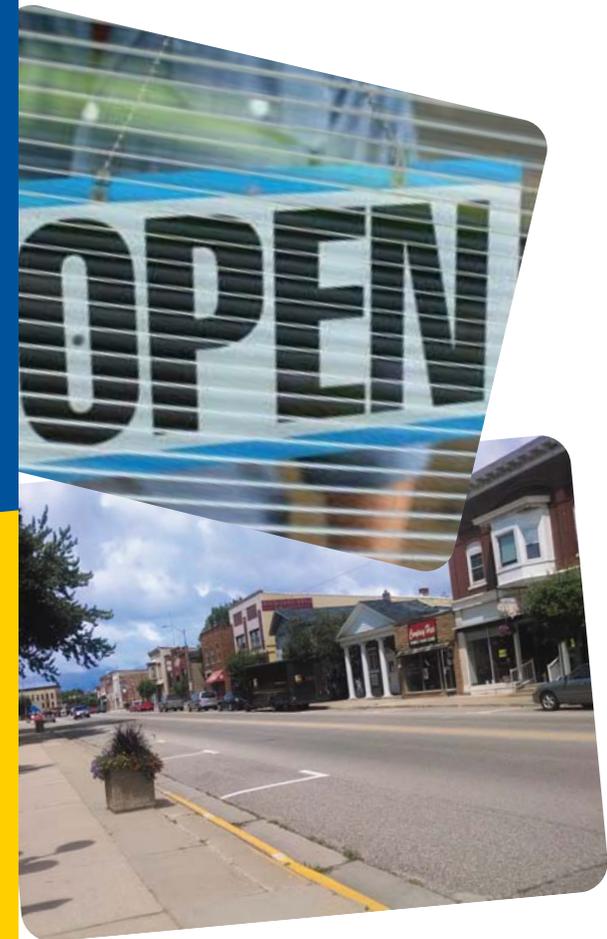
Contact Info

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Revolving Loan For Small Businesses



Revolving Loan Fund Acknowledgement Form



Name: _____
Address: _____
Business Name: _____ Business Type: _____
Day Time Phone: _____ Email: _____

Minimum Requirements

To be eligible, the proposed project must meet all of the following requirements:

- Private Fund Leveraging** – Must leverage at least one dollar of private funds for every dollar of RLF funds requested.
- Job Creation** – At least one permanent full-time equivalent (FTE) position must be created or retained for every \$20,000 of RLF funds requested.
- Feasibility** – Applicant must demonstrate that the proposed project is viable and that there is ability to repay the funds.
- Employment** – At least 51 percent of the jobs created or retained must be made available to persons of low to moderate income (LMI) as defined by the Federal government.
- Location** – Activities financed under the RLF must be located within the city limits of Mauston.

Eligible Activities:

- Acquisition of land, buildings, equipment and fixed assets
- New construction
- Expansion or remodeling of buildings
- Working capital

Ineligible Activities:

- Refinancing
- Special equipment
- Marketing studies
- Design
- Promotional activities
- Legal fees

Supplemental Information Checklist

When submitting this application, please review all of the information included in this brochure. The following checklist is of documents that should be included as a part of your application. If an item does not apply to your business, please note “N/A” next to the item on the list below.

- ____ 1. Business plan and financing proposal. (Include: Company History, Industry Analysis, Marketing Plans, Timeline)
- ____ 2. Earnings projections for three (3) years from date of application. Assumptions must be included.
- ____ 3. Resumes of all individuals listed under “Management.”
- ____ 4. Personal Balance Sheet.
- ____ 5. Two (2) years of personal tax returns.
- ____ 6. A copy of your credit report and credit score.
- ____ 7. Commitments for all private financing with no contingencies other than RLF.
- ____ 8. Cash Flow analysis on monthly basis for first (1st) year if operation.

Dependent on capital requirements

- ____ 9. Proposed list of equipment purchases
- ____ 10. New construction plans, specs, and proposed contract.
- ____ 11. Environmental Review Checklist
- ____ 12. Most recent appraisals of real estate and real estate tax statements for property pledged as collateral.

Dependent if applicant is for an existing business

- ____ 13. Balance Sheet and Income Statements for the last three (3) fiscal years
- ____ 14. Balance Sheet and Income Statement for an interim period less than ninety (90) days from date of application.
- ____ 15. Aging of Accounts Receivable and Payable corresponding with latest available statement.

I, _____ certify that I have read and understand the above,
(signature)

Date submitted _____

* Please note: It is required that you meet with a financial institution to seek funding before applying for this loan and you will need to provide a business plan.