



Business Enterprise Resource Office (BERO)

Rural Small Business and Entrepreneur Loan Fund Program

\$500 - \$20,000 Loans

for Entrepreneurs and Small Businesses in rural Tennessee



● ecd.bero@tn.gov

● 800.872.7201

● www.tn.gov/ecd/bero



ECD-BERO Rural Small Business and Entrepreneur Loan Fund Program

Dear Potential Applicant,

Thank you for your interest in the Rural Small Business and Entrepreneur Loan Fund Program. This fund offers \$500-\$20,000 loans below prime rate to startup and existing businesses in rural Tennessee. To apply, please review the application package and contact BERO. The basic eligibility requirements are:

- The applicant(s) must operate the business in a rural area as defined by the USDA.
- The applicant(s) must have fewer than 10 employees, including the owners.
- The applicant(s) must be current on all personal and business debts.
- The applicant(s) must agree to technical assistance to improve business management skills.
- The applicant(s) must provide a current business plan that has been reviewed by an accepted business counselor.
- Loans over \$5,000 require collateral; loans under \$5,000 may require collateral or a cosigner.
- There is a 2% loan closing fee.
- The applicant must agree to provide certain information required by the program funders.

To determine if your business residence is located in an eligible rural area, visit: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=rbs>. Click "Accept" on the 'Property Eligibility Disclaimer' and enter your business address.

Once you have submitted your application package with all required documentation, it will be evaluated on the following criteria:

- Strength of the business and financial plan
- Experience of the business owner(s)
- Applicant(s) personal credit history and available collateral

On average, a decision will be made within three to four weeks once *all* documentation has been received. If approved, please expect up to four to six weeks to receive the loan proceeds.

For more information contact BERO at the following:

- ecd.bero@tn.gov
- 800.872.7201
- www.tn.gov/ecd/bero

Thank you for your interest!



Application Checklist

Applicant(s) /
Business Name:

1. **ECD-BERO Micro-Loan Application** - Signatures of each principal owner of 20% or more of the company
2. **ECD-BERO Borrower Information Sheets** – Each principal owner of 20% or more of the company must complete his/her own form (Page 4-5)
3. **Schedule A** – List all available collateral
4. **Personal Financial Statement** - Each principal owner of 20% or more of the company must complete his/her own statement; use SBA template provided
5. **USDA Environmental Form** – Complete, sign and date
6. **Technical Assistance Form** – Signed by borrower
7. **Certification of use of funds** – Signed and dated by each borrower
8. **Resume(s)** – Provide for each applicant and key management person
9. **Copy of Driver's License** – Must be a clear copy and may not be expired; if not a US citizen, copy front and back of Green Card or Visa
10. **Copy of Business License(s)** – Include any other applicable licenses per industry standards
11. **Business Plan** – Reviewed by a business counselor; the business plan must include historical financials (if existing business) and one year of cash flow projections



Application

Please Complete All of the Following:

FY2012/2013

Products/Services Offered by Business:					
<input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> LLC <input type="checkbox"/> Corporation <input type="checkbox"/> S Corporation					
Legal Name of Business			DBA Name (if any)		
Mailing Address			Physical Location Address		
City	State	Zip	City	State	Zip
Business Phone		Business Fax		Business Web Address	
Business TIN/ FEIN	Time in Business		Related Industry Experience		Average Monthly Sales
	YRS	MOS	YRS	MOS	\$
Additional Household Income: \$			/month		
Source of Income:					
Additional Household Income: \$			/month		
Source of Income:					
Average Household Expenses: \$			/month		
List Expenses:					
Principal #1 and Guarantor #1 (Please sign below as Principal and Guarantor)					
Percentage of Ownership		%	Do you own more than 20% of any other business?		
			<input type="checkbox"/> YES <input type="checkbox"/> NO		
Last Name		First Name		Middle Initial	Date of Birth
Residence Address		City		State	Zip
Residence Telephone Number		Social Security Number		Driver's License # / State/Expiration Date	
Mobile Phone Number		Total Cash on Hand			
		\$			
Email Address		Other Email			
Do you Rent or Own? (if you live with parents select rent)		<input type="checkbox"/> RENT <input type="checkbox"/> OWN		How long? Years: _____ Months: _____	
Principal #2 and Guarantor #2 (Please sign below as Principal and Guarantor)					
Percentage of Ownership		%	Do you own more than 20% of any other business?		
			<input type="checkbox"/> YES <input type="checkbox"/> NO		
Last Name		First Name		Middle Initial	Date of Birth
Residence Address		City		State	Zip
Residence Telephone Number		Social Security Number		Driver's License # / State/Expiration Date	
Mobile Phone Number		Total Cash on Hand			
		\$			
Email Address		Other Email			
Do you Rent or Own? (if you live with parents select rent)		<input type="checkbox"/> RENT <input type="checkbox"/> OWN		How long? Years: _____ Months: _____	

Applicant/Guarantor ("borrower") authorizes ECD and the USDA to investigate and confirm the information herein and hereby certifies that all information provided, including legal status, is true, correct, and complete. Borrower hereby authorizes ECD to utilize credit bureau/reporting agencies and/or its own agents for purposes of verifying the accuracy of any information provided by borrower and for purposes of assessing and monitoring borrower credit status. This application may only be modified as approved in writing by an authorized ECD officer. No other representative of ECD is authorized to make any verbal or written modification to this application. By signing below I/We represent that the information presented on this application is complete and accurate and that all loan proceeds will be used only for business purposes.

Signature of Principal #1 and Guarantor #1 _____ Date _____

Print name of Principal #1 and Guarantor #1 _____

Signature of Principal #2 and Guarantor #2 _____ Date _____

Print name of Principal #2 and Guarantor #2 _____



ECD-BERO Rural Small Business and Entrepreneurship Loan

Borrower Information

To be completed by each proprietor, owner, holder of 20% or more of the business

Form with fields: Business Name, Applicant Name, Title, Social Security Number, Date of Birth, Place of Birth, Citizenship, and If not U.S., Type of VISA or alien registration.

All Questions Must Be Answered:

- (1) Are you in default on a federal student loan or on any type of government loan?
(2) Do you owe back payments for child support in any state?
(3) Have you ever been convicted of a felony?
(4) Are you or any of your company's officers, major shareholders or partners, or the spouses or close relative of such individuals presently employed by the State of Tennessee?
(5) Will any of the loan proceeds be used for construction, breaking ground, constructing a building, etc.?
(6) If the company registered to do business in the State of Tennessee?
(7) Is the company which would be assisted with the ECD-BERO loan currently in violation of environmental regulations of the U.S. Environmental Protection Agency or the Tennessee Department of Environment and Conservation?

If yes, please provide information on the nature and current status of this violation.

(8) List the race, ethnicity, gender and nationality for all employees (names not required). Do not include 1099 subcontractors.

Table with 5 columns: Employee Title, Ethnicity, Race, Gender, Nationality. Multiple empty rows for data entry.

Ethnicity: Hispanic/Latino (L); or Not Hispanic (H)
Race: White (W); Black/African American (AA); American Indian/Alaska Native (NA); Asian (A); Native Hawaiian/Other Pacific Islander (OP)
Gender: Male (M); Female (F) | Nationality: Country of citizenship or nationality (example, USA)

SUBSTITUTE W-9 FORM
REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION

1. Please provide general information:

Taxpayer Name: _____ Phone Number: _____
Business Name (if applicable): _____
Address: _____
City: _____ State: _____ Zip Code: _____

2. Circle the most appropriate category below: (please circle ONLY one)

- 1) Individual (not an actual business)
- 2) Joint account (two or more individuals)
- 3) Custodian account of a minor
- 4) a. Revocable savings trust (grantor is also trustee)
b. So-called trust account that is not a legal or valid trust under state law
- 5) Sole proprietorship (using a social security number for the taxpayer ID)
- 6) Sole proprietorship (using a federal employer identification number for taxpayer ID)
- 7) A valid trust, estate, or pension trust
- 8) Corporation
- 9) Association, club, religious, charitable, educational, or other non-profit organization (for entities that are exempt from federal tax, use category 13 below)
- 10) Partnership
- 11) A broker or registered nominee
- 12) Account with the US Department of Agriculture in the name of a public entity that receives agricultural program payments
- 13) Government agencies and organizations that are tax-exempt under Internal Revenue Service guidelines (i.e. IRC 501c3 entities)

3. Fill in your taxpayer identification number below: (please complete only one)

1.) If you circled number 1-5 above, fill in your Social Security Number

_____ - _____ - _____

2.) If you circled number 6-13 above, fill in your Federal Employer Identification Number (EIN)

_____ - _____

4. Sign and date the form:

Certification - Under penalties of perjury, I certify that the number shown on this form is my correct taxpayer identification number. If I circled category 13 above, I also certify that my agency or organization is tax-exempt per Internal Revenue Service guidelines and not subject to backup withholding.

Signature: _____ Date: _____
Title (if applicable) _____



PERSONAL FINANCIAL STATEMENT

DATE Completed:				
Name of Applicant			Home Phone	
Business Name			Business Phone	
Email			Cell Phone	
Residence Address	City	State	Zip	County

ASSETS	(Omit Cents)	LIABILITIES	(Omit Cents)
Cash on hand \$ in Banks.....	\$ _____	Accounts Payable.....	\$ _____
Saving Accounts.....	\$ _____	<i>(including credit cards)</i>	
IRA or Other Retirement Account.....	\$ _____	Notes Payable to Banks and Others.....	
Accounts & Notes Receivable.....	\$ _____	<i>(Describe in Section 2)</i>	
Life Insurance-Cash Surrender Value Only.....	\$ _____	Secured: \$ _____	
<i>(Complete Section 8)</i>		Unsecured: \$ _____	
Stocks and Bonds.....	\$ _____	Installment Account (Auto).....	\$ _____
<i>(Describe in Section 3)</i>		Payments \$ _____/month	
Real Estate.....	\$ _____	Installment Account (Other).....	\$ _____
<i>(Describe in Section 4)</i>		Payments \$ _____/month	
Automobile-Present Value.....	\$ _____	Loan on Life Insurance.....	\$ _____
<i>(use Kelly Blue Book Wholesale)</i>		Mortgage Debt on Real Estate.....	\$ _____
Personal Property.....	\$ _____	<i>(Describe in Section 4)</i>	
<i>(Describe in Section 5)</i>		Taxes Payable.....	\$ _____
Other Assets.....	\$ _____	<i>(Describe in Section 6)</i>	
<i>(Describe in Section 5)</i>		Other Liabilities.....	\$ _____
Total Assets.....	\$ _____	<i>(Describe in Section 7)</i>	
		Total Liabilities.....	\$ _____

Total Assets - Total Liabilities = Net Worth \$ _____

Section 1a.	Annual Source of Income	Description of Other Income in Section 1a:
Salary.....	\$ _____	
Net Investment Income.....	\$ _____	
Real Estate Income.....	\$ _____	
Other Income.....	\$ _____	
	<i>(Describe in section 1 below)</i>	<small>*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income</small>

Section 1b.	Contingent Liabilities	Description of Other Liabilities in Section 1b:
As Endorser or Co-Maker.....	\$ _____	
Legal Claims & Judgments.....	\$ _____	
Provision for Federal Income Tax.....	\$ _____	
Other Special Debt.....	\$ _____	

Section 2. Notes Payable to Banks and Other.		(Use attachments if necessary. Each attachment must be identified as part of the statement and signed.)				
Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment /month (week)	Secured?		How Secured or Endorsed Type of Collateral
				Yes	No	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
Section 4. Real Estate Owned		<i>(List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)</i>				
	Primary Residence		Property B		Property C	
Type of Property						
Address						
Date Purchased						
Original Cost						
Present Market Value						
Name and Address of Mortgage Holder						
Mortgage Account Number						
Mortgage Balance						
Amount of Payment per Month/Year						
Status of Mortgage						
Section 5. Personal Property and Other Assets		<i>(Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency)</i>				
Section 6.		<i>Unpaid Taxes (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)</i>				
Section 7.		<i>Other Liabilities (Describe in detail.)</i>				
Section 8.		<i>Life Insurance Held (Give face amount and cash surrender value of policies – name of insurance company and beneficiaries)</i>				

I authorize the Tennessee Uniform Certification Program to make inquiries as necessary to verify the accuracy of the statements made and to determine my eligibility. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of determining Disadvantage Business Enterprise eligibility. I understand FALSE statement may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001)

Signature: _____ Date: _____

Social Security Number _____

Signature: _____ Date: _____

Social Security Number _____



ECD-BERO Rural Enterprise Loan Fund: Note Authorization Agreement

1. Check all loan amounts you are willing to receive if approved.

Collateral may be required (case-by-case):

- | | |
|--|--|
| <input type="checkbox"/> \$500 approx. \$83.82 for 6 months | <input type="checkbox"/> \$3,000 approx. \$145.49 for 21 months |
| <input type="checkbox"/> \$1,000 approx. \$112.04 for 9 months | <input type="checkbox"/> \$3,500 approx. \$148.89 for 24 months |
| <input type="checkbox"/> \$1,500 approx. \$126.36 for 12 months | <input type="checkbox"/> \$4,000 approx. \$151.63 for 27 months |
| <input type="checkbox"/> \$2,000 approx. \$135.12 for 15 months | <input type="checkbox"/> \$4,500 approx. \$153.91 for 30 months |
| <input type="checkbox"/> \$2,500 approx. \$141.10 for 18 months | |

Collateral required:

- | | |
|---|---|
| <input type="checkbox"/> \$5,000 approx. \$155.85 for 33 months | <input type="checkbox"/> \$8,000 approx. \$163.75 for 51 months |
| <input type="checkbox"/> \$6,000 approx. \$159.03 for 39 months | <input type="checkbox"/> \$9,000 approx. \$165.64 for 57 months |
| <input type="checkbox"/> \$7,000 approx. \$161.59 for 45 months | <input type="checkbox"/> \$10,000 approx. \$175.28 for 60 months |
| ----- | |
| <input type="checkbox"/> \$12,500 approx. \$219.10 for 60 months | <input type="checkbox"/> \$17,500 approx. \$306.74 for 60 months |
| <input type="checkbox"/> \$15,000 approx. \$262.92 at 60 months | <input type="checkbox"/> \$20,000 approx. \$350.56 for 60 months |

Payments estimated using a 2% interest rate. Loan interest rates will be determined at the time of closing.

The undersigned hereby agrees (1) to allow ECD to score my loan application and determine the maximum amount of funding I/we qualify for with regard to the desired loan amount, (2) to complete the Promissory Note and related documents to reflect the actual amount of funding and to date such documents as of the date of loan funding, and (3) authorizes ECD to a 2% closing fee and a 10% late fee on unpaid balances on all closed loans.

Further, I/we understand that ECD has not approved a loan of any amount at this time. Interest will not be charged until the loan is approved and funded. Collateral will be required on all loans \$5,000 and higher. Loans under \$5,000 may be asked to provide collateral or a co-signor depending on the circumstances.

2. Check ONE of the following choices:

If I/We qualify for a lesser amount than originally applied for, I/we authorize ECD to fund a loan in the increments above without further communication between ECD and the borrower.

-OR-

If I/We do not qualify for the desired loan amount, please cancel my/our loan application.

Signature of Principal#1 and Guarantor #1

Date

Print name

Signature of Principal#2 and Guarantor #2

Date

Print name



ECD-BERO: Rural Small Business and Entrepreneurship Loan

Certification of Use of Funds

I hereby certify that I agree to provide a certification letter to ECD within three months (or 90 days) after receiving the micro-fund loan proceeds. In this certification letter, I will provide a detailed list of the use of the loan funds, including any equipment, inventory, professional services, fees and working capital expenditures. I understand that each borrower/co-signor of the loan must sign and date the certification letter and that it must be notarized.

I certify that I will use the loan proceeds in accordance with the application I submitted to ECD in my micro-loan application package and not for any other purpose without written prior consent by ECD. I certify that neither I nor the collective group will commit fraud when utilizing the awarded funds. I understand that fraud is defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to the state or federal government.

Signature of Applicant

Date

Print Name

Signature of Co-Applicant

Date

Print Name



INITIAL ASSESSMENT OF BORROWER

BERO: _____	Consultation Date: _____
Business Name: _____	In-Person: <input type="checkbox"/> Phone: <input type="checkbox"/> Email: <input type="checkbox"/>

ASSESSMENT OF TECHNICAL NEEDS

Primary Needs (from below)			Secondary Needs (from below)	
1 ST	2 ND	3 RD	4 TH	5 TH
#	#	#	#	#
1. Accounting for a Business 2. Bookkeeping 3. Business Plan 4. Computer/Operational 5. Credit Counseling 6. Financial Management 7. International Trade 8. Inventory Control 9. Legal Assistance (permits, licenses, etc.)			10. Management (general) 11. Market Analysis 12. Marketing 13. Certification 14. Sales Training 15. Strategic Planning 16. Tax Services 17. Working Capital Management 18. Other:	
Additional Comments: _____				

TECHNICAL ASSISTANCE ACTION PLAN

The Borrower and the TA Provider agree to perform the following actions to the best of their abilities:

TA Need (#)	Action	Estimated Duration	Start Date	Completion Date

Signature of Borrower/Applicant	Date
Signature of BERO	Date
Business Counselor	Date

REQUEST FOR ENVIRONMENTAL INFORMATION

Name of Project
Location

Item 1a. Has a Federal, State, or Local Environmental Impact Statement or Analysis been prepared for this project?
 Yes No Copy attached as EXHIBIT I-A.

1b. If "No." provide the information requested in Instructions as EXHIBIT I.

Item 2. The State Historic Preservation Officer (SHPO) has been provided a detailed project description and has been requested to submit comments to the appropriate Rural Development Office. Yes No Date description submitted to SHPO _____

Item 3. Are any of the following land uses or environmental resources either to be affected by the proposal or located within or adjacent to the project site(s)? (Check appropriate box for every item of the following checklist).

	Yes	No	Unknown		Yes	No	Unknown
1. Industrial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19. Dunes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Commercial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20. Estuary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Residential..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21. Wetlands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Agricultural	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22. Floodplain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Grazing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	23. Wilderness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Mining, Quarrying	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(designated or proposed under the Wilderness Act)</i>			
7. Forests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24. Wild or Scenic River	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Recreational	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(proposed or designated under the Wild and Scenic Rivers Act)</i>			
9. Transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25. Historical, Archeological Sites	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(Listed on the National Register of Historic Places or which may be eligible for listing)</i>			
11. Hospital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	26. Critical Habitats	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Schools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(endangered /threatened species)</i>			
13. Open spaces	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	27. Wildlife	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Aquifer Recharge Area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	28. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Steep Slopes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	29. Solid Waste Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Wildlife Refuge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	30. Energy Supplies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Shoreline	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	31. Natural Landmark	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Beaches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(Listed on National Registry of Natural Landmarks)</i>			
				32. Coastal Barrier Resources System.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Item 4. Are any facilities under your ownership, lease, or supervision to be utilized in the accomplishment of this project, either listed or under consideration for listing on the Environmental Protection Agency's List of Violating Facilities? Yes No

(Date)

Signed: _____
(Applicant)

(Title)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collections is 0575-0094. The time required to complete this information collection is estimated to average 6 to 10 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.