

City of Lincolnton, North Carolina Re-Development Revolving Loan Fund Process

Listed below are requirements for receiving a development loan from the City:

1. Procedures for Loan Application

Loan applicants must provide the following information to the City of Lincolnton:

- a. Completed loan application signed by business and/or property owners
- b. Copy of all applicable licenses including proof of payment
- c. List of names, addresses, social security numbers, and driver's license number of all property owners, business owners and officers.
- d. Legal name, address and federal identification number of business, if applicable
- e. Verification that all property taxes (City and County) have been paid
- f. Copy of business federal and state income tax returns for previous two years. (This may be waived in the case of a new business. However, a business plan and budget should be substituted for new businesses).
- g. Copy of individual federal and state income tax returns for business or property owners for previous two years
- h. Business purpose of loan
- i. Estimated costs and plans for building or landscaping improvements
- j. Signed approval for credit report
- k. Certificate of insurance for building, equipment and general liability

2. Approval of Loan Applications

- a. Applications will be reviewed by City Staff members and other strategic members approved by City Manager
- b. City Staff will make recommendation to City Council
- c. Loans must be approved by City Council at regular Council meeting
- d. Loans must be approved or denied within 60 days of application

3. Collateral and Security for Loans

- a. Loans will be secured by a deed of trust on business real property
- b. City may accept a second mortgage on real property if a first mortgage already exists and total of the two mortgages does not exceed the value of the property
- c. Payments over 60 days past due constitute default and the loan will be due and payable in full upon such default
- d. Failure to list property taxes by January 31 of each year, failure to pay property taxes when due (including vehicle taxes and tags), failure to obtain required business or privilege licenses each year, or failure to file required income tax, payroll tax, and/or sales tax returns will also constitute default on the loan
- e. City of Lincolnton will appoint an attorney to draft deed of trust and to perform title search on real property
- f. Loan applicant will be responsible for attorney's fees for such title search and preparation of promissory note and deed of trust or other security agreement

- g. City of Lincolnton will be added as an additional beneficiary or lien holder on insurance policies of the business or on real property insurance policy

4. Disbursement of Loan Funds By City

- a. Business owner must provide copy of invoices for repairs and/or renovations to the City of Lincolnton Finance Department
- b. Checks will be issued within 30 days of receipt of invoices by the City
- c. Checks will be issued directly to vendors as shown on invoices
- d. Checks will not be made payable to the business or property owners
- e. No funds will be disbursed in advance
- f. City reserves the right to inspect any building renovations or landscaping improvements prior to disbursing loan funds

5. Use of Loan Repayments Received by the City of Lincolnton

Loan repayments will be used to make similar loans to other businesses and property owners in the future.

**City of Lincoln, North Carolina
Re-Development Revolving Loan Fund Application**

Please complete this application and attach all of the information requested below:

Name of Applicant(s): _____

Address: _____

City, State, Zip: _____, _____, _____

Telephone: (____) _____ - _____ **Fax:** (____) _____ -- _____

Social Security #: _____ - _____ - _____

Name of Business: _____

Business Address: _____

City, State, Zip: _____, _____, _____

Telephone: (__) _____ **Fax:** (____) _____ -- _____

Federal Identification Number: _____

Check applicable boxes:

Type of entity: Corporation Partnership Limited Liability Company
 Sole Proprietorship Nonprofit Organization

Type of Business: _____

Number of Employees: Full-time Part-time

Annual Sales: 2016 _____ 2017 _____ 2018 _____

Ownership of Real Property: Owner of Business Property Lease

If you lease or rent, please complete the following information:

Name of Property Owner or Landlord: _____

Address: _____

City, State, Zip: _____, _____, _____

Telephone: (___) ___ - _____ Fax: (___) ___ -- _____

Social Security or Federal Identification Number: _____

Monthly Rent: _____ Term of Lease — From: _____ To: _____

Amount of Loan Requested (Maximum \$30,000): _____

Payment Options: _____ Monthly _____ Quarterly

Purpose of Loan (Please describe briefly how loan proceeds will be used. Attach copies of plans for renovations, remodeling, building additions, or landscaping improvements, if available):

Estimated Total Costs of Improvements or Additions: _____

Less Loan Amount Requested from City of Lincoln: _____

Balance of funds necessary to complete improvements: _____

Source of any additional funds required: _____

Assessed Valuation of building & Land for Property Taxes as of 01/01/2016: _____

Size of Lot: _____ Acres or _____ Square Feet

Size of Building in Square Feet: _____ Heated: _____ Unheated: _____ Total

Is there a mortgage on the property? ___ Yes ___ No If yes, answer following:

Name of Bank or Other Mortgagee: _____

Address: _____

City, State, Zip: _____, _____, _____

Telephone: (___) ___ - _____ Fax: (___) ___ -- _____

Account Number: _____ Original Amount of Loan: _____

Date of Loan: _____ Term of Loan: _____ Months Payments: _____

Number of remaining payments: _____ Outstanding Balance: _____

Interest Rate: _____ Any payment past due? _____ Yes _____ No

Are there any other outstanding liens against the property? _____ Yes _____ No

If yes, please describe and attach documentation: _____

Property taxes paid through: _____

Bank References for checking and/or savings account:

Name of Bank: _____ Branch location (City, State): _____

Account Numbers: Checking: _____ Savings/MMA: _____

CD: _____

Please include the following information with this application:

1. Names, addresses, telephone numbers, social security numbers of all owners or officers of the business and/or the real property. Please include titles for business officers.
2. Copy of property tax assessment and/or receipt.
3. Copy of deed to the property.
4. Copy of lease, if applicable.
5. Copy of business tax returns for the last two years. For new businesses, please attach a copy of business plan and budget for the current and next year.
6. Copy of federal and state income tax returns for the last two years of the applicant, business owner, tenant and/or landlord responsible for making loan payments.
7. Copy of business privilege license.
8. Copy of mortgage or deed of trust, if applicable.
9. Copy of plans and estimated costs of improvements, renovations or additions.

The undersigned hereby certifies that the information contained in this application is true and correct to the best of his/her knowledge and belief. The undersigned also agrees to allow the City of Lincolnton, North Carolina and its designated agents to verify the information contained in this application with banks, employers, or other parties and agrees to allow the City of Lincolnton to request credit reports from banks and credit bureaus.

Signatures:

_____	_____	_____
Name	Date	Title

_____	_____	_____
Name	Date	Title

_____	_____	_____
Name	Date	Title

Application must be signed by business owners, officers, landlords, and property owners.