

# MONTANA

## BOARD OF INVESTMENTS

## COMMERCIAL LOAN APPLICATION

(Electronic Form)

(Shaded Area For Board Use Only)

<b>Send Application and Exhibits To:</b> Loan Application, In-State Investments Montana Board of Investments  P.O. Box 200126 Phone (406) 444-0001 Helena, MT 59620-0126 Fax (406) 449-6579	Board Loan # Date Received: By:
<b>Applications To Be Submitted By Approved Lenders Only</b>	

### PART I - LENDER SECTION

Approved Lender →		Legal Business Name →	
Lender Representative →		Borrower Name →	
Lender Phone →		Business City/County →	

### SECTION A: LOAN TYPE INFORMATION

<b>* One</b>	<b>Type of Loan Applied For - Job Credit Interest Rate Reduction Available for 1, 2, 3, and 4</b>
<input type="checkbox"/>	1. Federally Guaranteed – (circle one) SBA(all), RBS-B&I, FSA, BIA, EDA, FAA - <b>Complete Sections A, B, E-J, L &amp; M</b>
<input type="checkbox"/>	2. Economic Development Linked Deposit - <b>Complete Sections A, B, E-I, &amp; M</b>
<input type="checkbox"/>	3. Business Participation Loan - <b>Complete All Sections</b>
<input type="checkbox"/>	4. Business Participation Loan With SBA 504 Second - <b>Complete All Sections</b>
<input type="checkbox"/>	5. Commercial Mortgage Participation Loan (i.e. office buildings, shopping malls, etc.) - <b>Complete All Sections</b>
<input type="checkbox"/>	6. Multi-Family Participation Loan - <b>Complete All Sections</b>
<input type="checkbox"/>	7. Low Income Housing Tax Credit – <b>Complete All Sections</b>

### SECTION B: LENDER PROPOSAL

Lender And Board Share		Proposed Interest Rates To Borrower		Lender Interest Rate If Variable	
Lender →		Lender's Share →		Lender Variable Rate Base →	
Board →		Board Rate →		Variable Rate Spread →	
Total →	\$ 100%	Service Fee →		Lender Share Gross Rate →	
Loan to Collateral Value →		Board Rate With Fee →		Adjustment Frequency →	
Lender's Risk Rating →		Net Blended Rate →		Base Rate Source →	
Borrower Fees		Loan Maturity/Payments			
Board Fee →		Years/Months →			
Lender Origination Fee →		Payment Frequency →			
Other Fees →		Total Payment Amount →			
Total Fees →		Payment To Board →			
Explain Other Fees →					

### SECTION C: LENDER LOAN ANALYSIS

<b>Exhibit A.</b> Lender credit presentation must cover the following: 1. Financial Statements with balance sheet and ratio analysis - comment on trends and relevant ratios 2. Lender's analysis of borrower repayment ability (i.e. profitability) 3. Management skills of the borrower 4. Collateral offered and lien position and analysis of collateral adequacy 5. Lender's credit experience with the borrower 6. Terms, conditions, collateral, financial spreads. 7. Current report on the borrower's credit history or Dun & Bradstreet's report on borrower and guarantor, if any.
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**SECTION D: LENDER'S PROPOSED CONDITIONS**

<b>*</b>	<b>Check On Line For Items Required</b>		
<input type="checkbox"/>	1. First Mortgage or First Deed of Trust on →	<input style="width: 150px;" type="text"/>	
<input type="checkbox"/>	2. First lien of machinery, equipment, furniture/fixtures, inventory, accounts receivable, contractual rights now owned or hereafter acquired. To be taken by Financing Statement and Security Agreement. Lien search required.		
<input type="checkbox"/>	3. For Partnership Note must be executed by →	<input style="width: 100px;" type="text"/>	as individual(s) and as partner(s)
<input type="checkbox"/>	4. Hazard insurance satisfactory to bank.		
<input type="checkbox"/>	5. Life insurance assignment in the amount of →	<input style="width: 50px;" type="text"/>	on life of → <input style="width: 100px;" type="text"/>
<input type="checkbox"/>	Life insurance assignment in the amount of →	<input style="width: 50px;" type="text"/>	on life of → <input style="width: 100px;" type="text"/>
<input type="checkbox"/>	6. Prior to disbursement, borrower will furnish a certificate from the County Treasurer showing that all real and personal property taxes are paid to date (if applicable).		
<input type="checkbox"/>	7. Standby/Subordination agreement executed by →	<input style="width: 100px;" type="text"/>	in the amount of → <input style="width: 50px;" type="text"/>
<input type="checkbox"/>	Standby/Subordination agreement executed by →	<input style="width: 100px;" type="text"/>	in the amount of → <input style="width: 50px;" type="text"/>
<input type="checkbox"/>	8. Assignment of lease with right of reassignment and lessor's consent thereof, which lease shall be for a term of not Less than → <input style="width: 20px;" type="text"/> years and shall cover the property at → <input style="width: 150px;" type="text"/>		
<input type="checkbox"/>	9. Assignment of lessor's interest in lease(s) and rents		
<input type="checkbox"/>	10. Personal guarantees of →	<input style="width: 100px;" type="text"/>	and → <input style="width: 100px;" type="text"/>
<input type="checkbox"/>	Partnership guarantees of →	<input style="width: 100px;" type="text"/>	and → <input style="width: 100px;" type="text"/>
<input type="checkbox"/>	Corporate guarantees of →	<input style="width: 100px;" type="text"/>	and → <input style="width: 100px;" type="text"/>
<input type="checkbox"/>	11. Borrower shall furnish, annual, semi-annual, quarterly, or monthly financial statements satisfactory to lender and Board within → <input style="width: 20px;" type="text"/> days after the end of the period covered.		
<input type="checkbox"/>	12. Escrows to be established and maintained by Seller/Service for payment of taxes and insurance.		
<input type="checkbox"/>	13. Reserve account to be established and maintained by Seller/Service in the amount of →	<input style="width: 100px;" type="text"/>	of
<input type="checkbox"/>	sales/rents/depreciation to be used for repairs/replacements		
<input type="checkbox"/>	14. Other (Please specify) → <input style="width: 150px;" type="text"/>		

**As a condition of Board participation in the proposed loan, the Board reserves the right to request changes, amendments, or additions to the lender's terms and conditions described herein.**

**SECTION E: LENDER SIGNATURE AND CERTIFICATION**

The lender is an approved Board lender, has reviewed the entire application, including portions completed by borrower, and has determined that the application is complete and accurate. If the Board's commitment fee has not yet been paid, the fee must be paid by ACH upon submission of this application. Subject to the terms and conditions specified in Part I of this application, the lender will originate the loan if it is approved by the Board. **Further, the lender certifies that this loan has not been classified by the most recent examination report of this financial institution and that no other loans outstanding for this borrower, signatories, or guarantor have been classified.**

Lender →	<input style="width: 100%;" type="text"/>	Lender Rep →	<input style="width: 100%;" type="text"/>
Address →	<input style="width: 100%;" type="text"/>	Title →	<input style="width: 100%;" type="text"/>
City/ST/ZIP →	<input style="width: 100%;" type="text"/>	Phone →	<input style="width: 100%;" type="text"/>
Authorized Signature →	Date → <input style="width: 100px;" type="text"/>		

**PART II - BORROWER SECTION**

**SECTION F: BORROWER INFORMATION**

Legal Business Name →		Business Rep →	
Borrower Name →		Title →	
Business NAICS Number →		Phone →	
Employer Tax I. D. # →		Address →	
RMA Code →		City →	
Date Established →		State/ZIP →	

<b>*</b>	<b>Borrower is</b>	<b>*</b>	<b>Loan is for</b>	
<input type="checkbox"/>	1. Individual	<input type="checkbox"/>	1. Existing Business	
<input type="checkbox"/>	2. Partnership	<input type="checkbox"/>	2. New Business	
<input type="checkbox"/>	3. Limited Liability Company (LLC)	<input type="checkbox"/>	3. Existing business purchase	
<input type="checkbox"/>	4. Non-Profit Corporation	<input type="checkbox"/>	4. Landlord Properties	
<input type="checkbox"/>	5. Individual dba sole proprietorship	<input type="checkbox"/>	5. Refinancing	
<input type="checkbox"/>	6. Limited Partnership/LLP	<input type="checkbox"/>	6. Other (Explain) →	
<input type="checkbox"/>	7. Corporation State of - Incorporation →			Date of Incorporation →

List the names and residences of those persons with ownership interest in the business.

Name →		Title →		City/State →		% Ownership →	
Name →		Title →		City/State →		% Ownership →	
Name →		Title →		City/State →		% Ownership →	
Name →		Title →		City/State →		% Ownership →	

Generally describe business history, products, services, and current business plans: **Provide details in Exhibit G →**

**SECTION G: ECONOMIC IMPACTS**

Provide brief description of estimated potential economic impacts of the project. **Provide details in Exhibit A →**

Business Type →		Annual Payroll With Benefits →	
Project Location, City/County →		Average Salary With Benefits →	
Annual Gross Revenues →		Annual State Fuel Tax →	
# New Jobs Created →		Annual Property Tax →	
# New Jobs Filled by Montanans →		Annual State Income Tax →	
# Existing Jobs →		Annual Purchase of Montana Services/Goods →	

% Of Business Products/Services Estimated To Be Sold Out-Of-State Or to Out-Of-State Residents →

If the business will process, refine, market, or in other ways promote Montana's agricultural products, describe below the manner in which the business engages in these activities.

**SECTION H: ENVIRONMENTAL IMPACTS**

If existing business, is business in compliance with all Federal/State environmental and health standards →	
If governmental environmental permits are required, have the permits been obtained →	
Describe below the potential environmental impacts caused by the proposed project. If none, check here →	<input type="checkbox"/>

**SECTION I: PURPOSE OF LOAN AND USE OF LOAN PROCEEDS**

Describe project and uses of loan proceeds. Examples of facility use would be for manufacturing, warehouse, repair shop, or retail space. If facility is to be leased, list below the name of the lessee(s) and a description of the uses of the project by all the principal lessees.

If real property, provide appropriate addresses complete legal description; if non-mobile personal property, give legal description and location where personal property will be installed and used.

Street/City/County/State →	
Legal Description →	

Use of Loan Proceeds		Collateral Summary		
Land Acquisition →		If loan collateral consists of Land/Buildings, Accounts Receivables, or Inventory, fill in the appropriate blanks. If collateral is Machinery, Equipment, Furniture, Fixtures, or Other, fill in the appropriate blanks and provide an itemized list containing serial and identification numbers for all articles with an original value greater than \$1,000 labeled as <b>Exhibit O</b> .		
New Plant or Building →				
Building Expansion/Repair →				
Machinery and Equipment →				
Inventory Purchase →				
Working Capital →				
Acquire Existing Business →				
Existing Debt →				
Other →				
<b>Total Proceeds →</b>				
<b>Total Other Financing →</b>				
<b>Total Project Costs →</b>				
<b>Total Collateral →</b>				

List other sources of equity and debt financing accounting for the difference between loan request and total project cost.

Source →		Collateral/Security Position →		Amount →	
Source →		Collateral/Security Position →		Amount →	
Source →		Collateral/Security Position →		Amount →	
Source →		Collateral/Security Position →		Amount →	
<b>Total Other Financing →</b>					

## SECTION J: CURRENT BORROWER DEBT

List below all borrower installment debts, contracts, notes, and mortgages payable. **Asterisk (\*) debt to be paid by loan proceeds and reason for paying same.** (If present balance does not agree with latest balance sheet, please explain.)

To Whom Payable	Original Amount	Original Date	Present Balance	Interest Rate	Maturity Date	Monthly Payment	Collateral/Security	Current	
								Y	N
								<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 K: PARTICIPATION LOANS BORROWER CHECKLIST

Please submit the following information and exhibits on separate sheets. **All exhibits must be signed and dated by the appropriate borrower representative.**

1. **Exhibit B.** Furnish current (within 90 days) dated and signed personal balance sheet for each general partner and guarantor. Tax Returns may also be required to supplement this information.
2. **Exhibit C.** Does borrower, principal owners, key employees, or directors operate any closely related affiliates, subsidiaries or branches? If yes, please provide their names and relationship to the business along with the most recent balance sheet and operating statement for each. If not, check  here→
3. **Exhibit D.** Has borrower or borrower's officers/owners ever been involved in bankruptcy or insolvency proceedings? If so, please provide details. If not, please check  here→
4. **Exhibit E.** Is there pending or threatened litigation/administrative proceeding/investigations involving the borrower, its officers, directors, management, or guarantors, that if adversely decided would affect the borrower's/guarantors' ability to perform obligations required by this loan or to operate the business? Has borrower, officers, directors, management, or guarantors ever been convicted of a felony? If yes, provide details. If not, check  here→
5. **Exhibit F.** Include Balance Sheet, Profit and Loss Statement for last 3 years and the same statements dated within 90 days of submitting application. If statements are not independent accountant-prepared review or audit statements, please include complete business tax returns for the past three years. Also include a 1-year earnings projections for existing business and a 2-year earnings projection for new businesses.
6. **Exhibit G.** Provide brief business history, resumes of all officers and management personnel, and a paragraph describing the expected benefits the business will receive from the loan. If the business is a partnership, also enclose a copy of the partnership agreement.
7. **Exhibit H.** Provide copies of real estate, major equipment leases, and franchise agreements in effect. If a franchise, include a copy of the FTC disclosure statement supplied by franchiser. If none, check  here→
8. **Exhibit I.** Include a business plan.
9. **Exhibit J.** List approvals of public agencies, or other conditions, which have been obtained or satisfied or which are required prior to the financing, acquisition, construction or use of the project (i.e. licenses, regulatory agency approvals, etc.) If none required, check  here→
10. **Exhibit K.** If the project involves construction, provide:
  - A. Detailed construction cost estimates and specifications to include architects plans and specifications, contractor's bids or estimates, invoices, etc.;
  - B. Names and addresses of architects and contractors selected;
  - C. Date and manner in which any contracts will be awarded;
  - D. Proposed schedule for construction, completion, and occupancy;
  - E. Manner in which the construction will be managed;
  - F. If construction has been completed, check  here→

11. **Exhibit L.** If loan is for the purchase of real or personal property, provide:
- A. USPAP appraisal report as per the Board's In-State Investment Policy or other valuation required by Lender;
  - B. Copy of the purchase agreement(s) including name(s) of seller(s);
  - C. Copies of earnest money receipt and agreement, option to purchase, contract to purchase, and invoice(s) or estimate(s) of cost for purchase of land, improvements, or tangible personal property related to the project;
  - D. Does the owner of the subject property during the previous five years have a relationship with the borrower? (Spouse, blood relative, tenant, or other business relationship). If yes, explain. If not, check  here →
12. **Exhibit M.** An Environmental Assessment (EA), Phase I E.A. or Environmental Questionnaire
13. The Board may request additional information to assist in the evaluation of the loan application.

**SECTION L: FEDERALLY GUARANTEED LOANS BORROWER CHECK LIST**

<input type="checkbox"/>	1. SBA Authorization
<input type="checkbox"/>	2. Conditional commitment, if applicable

**SECTION M: BORROWER CERTIFICATIONS**

1. Borrower agrees to comply with Section 4, Article II of the Montana Constitution that prohibits discrimination based on race, color, sex, culture, social origin or condition or political or religious ideas.
2. If loan is approved, the Board may use project photographs in its Annual Report or other publications.
3. If loan is approved, borrower grants the Board the right to inspect the project funded by the loan.
4. All information in this application and exhibits is true and complete to the best of borrower's knowledge and is submitted to obtain the Board's participation in a loan from an approved lender to borrower. Borrower certifies that the loan proceeds shall be used solely for the purposes stated herein.
5. Borrower agrees to pay for or reimburse Board for the cost of any surveys, title or mortgage examinations, appraisals etc., performed by non-Board personnel whether or not this loan is actually disbursed provided borrower has given consent.
6. The borrower agrees that any contracts to construct the project will require all contractors to give preference to the employment of bona fide Montana residents as defined in 18-2-401, MCA, in the performance of the work on the project if their qualifications are substantially equal to those of non-residents. Substantially equal qualifications means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other person(s).
- 7. The borrower of a commercial loan acknowledges that if he/she receives a "job credit interest rate reduction" for job creation and eliminates more than 10 qualifying jobs on which the reduction was based, the Board may increase the loan's interest rate commensurate with the number of jobs eliminated.**

**If borrower is a sole-proprietor or general partner, sign below:**

Party One	Date	Party Two	Date
<b>If borrower is a corporation, sign below:</b>			

Corporate Name	By	Title	Attested By	Date
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Signature of Preparer if Other Than Borrower                      Print Preparer Name                      Preparer Address