

New Bedford Economic Development Council, Inc.

EDA TITLE IX FISHERIES ASSISTANCE REVOLVING LOAN FUND

BACKGROUND: The New Bedford Economic Development Council, Inc. (NBEDC) established this assistance program with a grant from the U.S. Economic Development Administration and a matching fund arrangement with Fleet Bank. This program is intended to create revolving loan fund in support of the fishing industry and fishing related businesses to create or retain long term jobs for those who are currently in the industry or create opportunities for those who are displaced from the fishing industry as well as creating jobs through the start-up, expansion and retention of small businesses. These funds will be used to stabilize the seafood industry while strengthening the local economy.

HOW IT WORKS: Under the Title IX RLF Program, NBEDC will provide loans and gap financing.

INTEREST RATE: Interest rates will generally be fixed and are based on the Prime Rate and determined by loan committee.

FEES: NBEDC charges a \$275 application fee upon application submittal (non-refundable).
NBEDC generally charges a 1% administration fee at the closing.

ELIGIBLE BUSINESSES:

- **VESSELS:** Financing of fixed assets, equipment and machinery. Typical assistance for activities such as overhaul of mechanical components, gear repair, equipment required by changes in federal regulations, retrofit activities to accommodate technology changeover of equipment targeted to increased fishing of underutilized or alternative species.
- **PROCESSORS:** Financing to assist in the conversion of equipment and hardware supporting new methods of seafood processing and retooling to process new product lines including underutilized or alternative species.
- **SUPPLIERS:** Shore side suppliers may be assisted with loans to allow the purchase of inventory items required under new fisheries guidelines. Loans for short-term cash flow deficiencies resulting from fishing industry activities directly referenced to inventory and accounts receivable.
- **GENERAL FISHING RELATED:** Small businesses with potential for growth and job creation in the geographic area impacted by the dislocation of the fishing industry.

ELIGIBLE USE OF

LOAN FUNDS: Loan funds will be used for fixed assets, equipment, machinery and working capital needs. There must be a demonstrated need for the loan.

JOB

REQUIREMENTS: NBEDC requires that a business must demonstrate that it can create a minimum of one job or will retain a minimum of one job for each \$35,000 of NBEDC investment in the first two years of the loan. NBEDC also requires, that at least 51% of those jobs are offered to or retained by low and moderate income (based on HUD guidelines) individuals.

**GEOGRAPHIC
COVERAGE:**

This program provides assistance to small businesses located within the Port of New Bedford, which includes the City of New Bedford and the Town of Fairhaven.

PROCESS:

NBEDC has a loan review committee which meets on an as needed basis. NBEDC's Loan Review Committee meets on (at Least) monthly basis to approve these loan requests. Normally it takes approximately 30 days or less to obtain approval. NBEDC can close on a loan as soon as approval is obtained and all legal documentation is obtained and or prepared by it's legal council. The following is a list of information normally required to review a loan application.

1. Complete NBEDC loan application package.
2. Business plan required for all business start-ups along with 2 years of projections.
3. 3 years of historical financial statements (Personal & Corporate – for all principals with 20% or more ownership).
4. Personal financial statement (attached) – Also required for all principals with 20% or more ownership.
5. When applicable – appraisals/ 21-E reports/ Invoices/ Estimates

*Disclaimer: All information provided to the New Bedford Economic Development Council, Inc. may be subject to public disclosure.

*Disclaimer: This loan program and any specific loans are contingent upon the availability of funds. If at any time this funding source is depleted, this loan program and any commitments to fund specific loans may become null and void.

FOR MORE INFORMATION CONTACT NBEDC AT 508-991-3122; FAX 508-991-7372

The New Bedford Economic Development Council, Inc.
1213 Purchase Street, 3rd Floor
New Bedford, MA 02740

NBEDC STAFF

Matthew A. Morrissey, Executive Director
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New Bedford Economic Development Council, Inc.

LOAN APPLICATION INSTRUCTIONS:

- Complete and sign, **front and back**, all forms in this loan application
- Include a comprehensive business plan (if business is less than 1 year old)
- Include the past three years financial state / tax returns (Schedule C)
- Include your own personal tax return for past 3 years
- Evidence that all City, State, and Federal Taxes are current
- Copies of all licenses and permits necessary to operate
- Evidence of bank or other financing (copy of commitment letter)
- Copy of letter of bank denial
- Certificate of Corporate Existence (provided by the Secretary of State, MA)
- Certificate of Good Standing (provided by the Secretary of State, MA)
- Articles of Organization / Incorporation (Certified by Secretary of State)
- Partnership Agreement / Documentation
- Evidence of Sole Proprietorship / Ownership (attach Schedule C)
- Appraisals (or other acceptable proof of collateral value)
- Return all of the above information as soon as possible, please call immediately with questions.

ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)

MEMORANDUM OF AGREEMENT

In consideration of the lending assistance made available through the New Bedford Economic Development Council, Inc. (NBEDC) and the Economic Development Administration Revolving Loan Fund (EDA RLF), I hereby certify that

(Company Name)

1. Will make at least 51% of the () jobs to be created available to individuals with low and moderate income levels (as described under HUD guidelines).
2. Will retain () jobs, which at least 51% are held by individuals with low to moderate income levels.
3. Will consider utilizing the Federal Employment Services and local Jobs Training Partnership Act (J.T.P.A.) organization as a source of job referrals.
4. Will, to the extent needed, utilize appropriate job training programs to prepare low/moderate income (LMI) individuals for jobs regarding special skills or education.
5. Will cooperate with NBEDC monitoring efforts to verify compliance with procedures established to provide LMI individuals with first considerations for jobs.
Further recognizes and acknowledges NBEDC's right to monitor hiring practices, access company payroll records, and any other records deemed necessary, to verify income levels of applicants and to review records.
6. Will provide NBEDC with a listing of jobs titles and descriptions of jobs to be made available to LMI individuals.
7. Will identify which jobs, if any, will require specialized training or skills.
8. Will provide NBEDC with a new personnel data sheet on each applicant considered for an employment opportunity.
9. Understands that if there is a breach of the terms and conditions of all notes and agreements, including this Memorandum of Agreement, NBEDC reserves the right to accelerate or demand repayment in full.

Owner/CEO/President

Date

CREDIT AUTHORIZATION FORM

NAME: _____

ADDRESS: _____

DATE OF BIRTH: _____

SOCIAL SECURITY #: _____

NAME: _____

ADDRESS: _____

DATE OF BIRTH: _____

SOCIAL SECURITY #: _____

I (We) authorize the New Bedford Economic Development Council, Inc. (NBEDC) or an agent thereof, to obtain any and all credit information required to process a loan under the Revolving Loan Fund.

Name

Date

Name

Date

Name

Date

NEW BEDFORD ECONOMIC DEVELOPMENT COUNCIL, INC. LOAN APPLICATION

Date: _____

I. BUSINESS INFORMATION

Business Name _____

Address _____

Telephone _____ Tax I.D.# _____

Individual Name(s) _____

Address _____

Telephone# _____ Social Security# _____ Date of Birth _____

Proprietorship _____ Partnership _____ Corporation _____ Subchapter S _____ Realty Trust _____

Ownership Distribution:

Name _____ Percent of Ownership _____ Title _____

Name _____ Percent of Ownership _____ Title _____

Name _____ Percent of Ownership _____ Title _____

(Please use the back of this application to add information about additional ownership)

Nature of Business _____ Year Established _____ Number of Employees _____

Years at Present Location _____ [] Own _____ [] Lease Terms _____

Accountant _____ Tel. # _____ Ins. Agent _____ Tel.# _____

Attorney _____ Tel.# _____

II. LOAN REQUEST INFORMATION

Amount _____ Term _____

Purpose/Use of Funds _____

Collateral Offered _____

Primary Repayment Source _____ Secondary Source _____

III. FINANCIAL INFORMATION

Existing Businesses: Minimum of 3 Years of Financial Statements are Required

New Businesses: Comprehensive Business Plan with 3 Years of Projected Financial Statements

Credit Relationships:

<u>Name of Creditor</u>	<u>Purpose of Loan</u>	<u>Amount</u>	<u>Bal</u>	<u>Terms</u>	<u>Maturity Date</u>
_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	\$ _____	\$ _____	_____	_____

DOCUMENTATION CHECKLIST

- 1.) Include Copy of Fishing Vessel License
- 2.) Include Copy of Certificate of Documentation
- 3.) Include Copy of Corporate Existence (provided by Secretary of State – Mass.)
- 4.) Include Last 3 Years Corporate Financial Statements
- 5.) List Any and All Fishing Violations:

Explanation: _____

- A.) Amounts Owed as a Result of Violation(s): _____
- B.) Any Liens Placed on Vessel: _____
- C.) Any Liens Placed on Real Estate: _____

6.) Mortgage(s) Outstanding on Fishing Vessel(s):

- A.) Where is Mortgage? _____
- B.) Current Balance: _____
- C.) Original Amount: _____
- D.) Original Date: _____
- E.) Is this mortgage(s) presently current? _____

7.) List All Principals/Owners:

_____	% of Ownership _____
_____	% of Ownership _____
_____	% of Ownership _____

ASSURANCES

The applicant gives assurance of compliance with the Title VI of the Civil Rights Act of 1964, as amended. The Act prohibits discrimination on grounds of race, sex, color, religion, marital status, handicap, age or national origin.

The applicant further gives assurances that:

The applicant will comply with Federal and State air and water regulations and obtain all necessary permits and certifications for all environmental requirements.

The applicant warrants that all Federal, State and Municipal tax liabilities are current, and that no assets of the borrower are encumbered due to non-payment of taxes.

The funding of this Project will not result in the relocating of jobs from one labor area to another.

Flood Hazard Insurance will be obtained when needed.

The applicant will insure accessibility to the handicapped for construction projects to which the public will have access.

The applicants will wherever possible give consideration for employment to the long-termed underemployed and unemployed residing in this area.

I have read and given these assurances and affix my signature on this _____ day of _____, 20_____.

Signed: _____

Title: _____

Use of Proceeds

Loan Requested

Land Acquisition	\$ _____
Land Improvement	_____
Purchase and/or Remodel Existing Building	_____
New Construction	_____
Purchase and/or Repair of Machinery/Equipment	_____
Purchase of Furniture or Fixtures	_____
Working Capital	_____
Other	_____
Total Loan Requested	\$ _____

Summary of Collateral Coverage

Explain Collateral to be used _____

Value offered to NBEDC

Market value of assets as collateral for loan	\$ _____
Less: Prior Liens	_____
Equals: Value of Assets Available to NBEDC	_____

NBEDC Loan

Less: Amount of Loan	\$ _____
Equals: Collateral in Excess of Loan Amount	_____

Asset Coverage Ratio

Assets Available to the NBEDC=NBEDC Loan \$ _____

PRO FORMA INCOME STATEMENTS

THREE YEAR SUMMARY

	YEAR 1	YEAR 2	YEAR 3
SALES	_____	_____	_____
Less: Cost of Goods Sold	_____	_____	_____
GROSS PROFIT	_____	_____	_____
OPERATING EXPENSES:	_____	_____	_____
Outside Labor	_____	_____	_____
Operating Supplies	_____	_____	_____
Salaries & Wages	_____	_____	_____
Repairs & Maintenance	_____	_____	_____
Advertising	_____	_____	_____
Car & Delivery	_____	_____	_____
Bad Debts	_____	_____	_____
Gen. Off. Admin & Legal	_____	_____	_____
Rent	_____	_____	_____
Utilities	_____	_____	_____
Insurance	_____	_____	_____
Taxes & Licenses	_____	_____	_____
Interest	_____	_____	_____
Depreciation	_____	_____	_____
Miscellaneous	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL OPERATING EXP.	_____	_____	_____
PROFIT (LOSS) PRE-TAX	_____	_____	_____
TAXES	_____	_____	_____
NET PROFIT (LOSS)	_____	_____	_____

RESOLUTION OF THE BOARD OF DIRECTORS

Name of Applicant

1. RESOLVED, that the Officers of the Corporation named below, or any one of them, or their, or any one of their, duly elected or appointed successors in office, be and they are hereby authorized and empowered in the name and on behalf for this Corporation and under it's corporate seal, to execute and deliver to the **New Bedford Economic Development Council (NBEDC)** in the form required by the **NBEDC**, the following documents: (a) loan application, the total thereof not to exceed the amount of \$_____, maturing on such date or dates and bearing interest at such rate or rates as may be prescribed by the **NBEDC**; (b) applications for renewals or extensions of all or any part of such loan or loans and of any other loans, heretofore or hereafter made by the **NBEDC** to this Corporation; (c) the promissory note or notes of this Corporation evidencing such loan or loans or any renewals or extensions thereof; and (d) any other instruments or agreements of this Corporation which may be required by the **NBEDC** in connection with such loans, renewals, and/or extensions; and that said officers in their discretion may accept any such loan or loans in installments and give one or more notes of this Corporation therefore, and may receive and endorse in the name of this Corporation any checks or drafts representing such loan or loans or any such installments.

2. FURTHER RESOLVED, that the aforesaid officers or any one of them or their duly elected or appointed successors in office, be and they are hereby authorized and empowered to do any acts, including, but not limited to, the mortgage, pledge or hypothecation from time to time with the **NBEDC**, of any or all assets of this Corporation to secure such loan or loans, renewals or extensions, and to execute in the name of an on behalf of this Corporation and under it's corporate seal or otherwise, any instrument or agreements deemed necessary or proper by the **NBEDC**, in respect of the collateral securing any indebtedness of this Corporation.

3. FURTHER RESOLVED, that any indebtedness heretofore contracted an any contracts or agreements heretofore made with the **NBEDC** on behalf of this Corporation, and all acts of officers or agents of this Corporation with said indebtedness or said contracts or agreements, are hereby ratified and confirmed.

4. FURTHER RESOLVED, that the officers referred to in the foregoing resolutions are as follows:

(Printed Name)	(Title)	(Signature)
(Printed Name)	(Title)	(Signature)
(Printed Name)	(Title)	(Signature)

5. FURTHER RESOLVED, that the **NBEDC** is authorized to rely upon the aforesaid resolutions until receipt of written notice of any change.

