



HAGERSTOWN REVOLVING LOAN FUND PROGRAM PROGRAM GUIDELINES

Quick Information Summary

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Eligible Applicants: Small business or developer organized as a proprietorship, partnership, limited liability company or a corporation whose business sales are less than five million dollars (\$5,000,000) annually for each of the last two (2) years.

Eligible Activities: Loan funds may be used for activities, including but not limited to:

- Growth and Expansion
- Property Rehabilitation
- Code Compliance
- Façade Enhancement

Eligible Costs: May include the following:

- Land improvements, including but not limited to grading, new streets or street improvements, parking lots, utilities, and landscaping.
- Purchase or renovation of building.
- Purchase of machinery or equipment defined to have useful life of at least five (5) years.
- Building construction.
- Leasehold improvements, provided the lease term is equal to or greater than the term of the loan and the City secures a lien on the land or building and improvements.
- Microenterprise activities defined as a commercial enterprise that has five (5) or fewer employees, one or more of whom owns the enterprise.
- Working capital.

Ineligible Costs: Include but are not limited to:

- Management Fees
- Financing Costs
- Franchise Fees
- Debt Repayment or Debt Consolidation
- Moving Costs
- Refinancing
- Rental Property Rehabilitation

Ineligible Activities: Funds may not be used for:

- Non-profit Institutions
- Gambling Organizations
- Lending or Investment Organizations
- Rental Investment Properties
- Land Speculation
- Any activity deemed illegal by federal, state, or local law or ordinance

Terms and Conditions:

- Maximum loan amount is \$200,000 or 80% of total project cost, whichever is less.
- Maximum loan amount for working capital is \$30,000.
- Minimum loan amount is \$5,000.
- The interest rate shall be a fixed rate established at PRIME plus 1%, but shall not be less than 3%.

- Term may not exceed seven (7) years. Term may not exceed five (5) years for working capital loans.
- Minimum of 20% cash equity investment of total project costs. For new restaurants open three (3) years or less, minimum of 40% cash equity investment of total project costs.
- Repayment of loan shall begin within one month of completion of construction or possession of machinery/equipment purchased, or six (6) months from the date of loan settlement, whichever is sooner.

Please be advised, a credit check is required along with a non-refundable application fee based on the requested loan amount.

HAGERSTOWN REVOLVING LOAN FUND FULL PROGRAM GUIDELINES

Sections I through XI of this document shall govern the use of Hagerstown Revolving Loan funds.

- I. **Purpose:** The purpose of these guidelines is to establish policies and procedures to regulate, coordinate, and facilitate the workflow for underwriting new financing requests, servicing revolving loans, and ensuring borrower compliance with loan terms and conditions of the Hagerstown Revolving Loan Fund program (HRLF).
- II. **Authorization and Funding Sources:** The Hagerstown Revolving Loan Fund is authorized pursuant to action by the Mayor and Council of the City of Hagerstown and capitalized through funds made available by the City of Hagerstown and the Maryland Department of Business and Economic Development.
- III. **Mission:** The mission of the Revolving Loan Fund is to increase the City's tax base, create and retain permanent private sector jobs, improve economic opportunity and living standards for the citizens of Hagerstown by promoting local business development and expansion, attracting out-of-state businesses to locations within the City, leveraging private sector funds, and assisting the development of new technologies when other sources of funds are not available.
- IV. **Program Objective:** The objective of the revolving loan fund is to make direct low-interest loans to businesses for certain approved activities within the Hagerstown city limits. These loans may be used to either fill the financing gap between project costs and private equity and private debt financing or to serve as the primary source of capital.
- V. **Equal Opportunity and Affirmative Action:** Non-discrimination. No one shall be denied assistance or access to program benefits based upon race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, familial status or mental or physical disability. The City of Hagerstown will make every effort and reasonable accommodation to ensure that the administration of the Hagerstown Revolving Loan Program is conducted in a manner which will not cause discrimination or exclusion.

All loan recipients, developers, contractors, and subcontractors must agree:

- A. Not to discriminate in any manner against an employee or applicants because of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, familial status or mental or physical disability.
 - B. To post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.
 - C. To provide a fair and equal employment opportunity in accordance with Equal Employment Opportunity (EEO) laws, amendments, rules, and Executive Orders for all employees and job applicants regardless of race, color, religion, national origin, gender, sexual orientation, age, marital status, or mental or physical disability.
- VI. **Eligible Activities:** Certain projects, applicants, activities, and costs are eligible for revolving loan funds. The Hagerstown Loan Review Authority (HLRA) may make exceptions to all eligibility rules on a case-by-case basis with documented justification.
- A. **Eligible applicants:** An applicant shall be a small business or developer who is organized as a proprietorship, partnership, limited liability company or a corporation whose business sales are less than five million dollars (\$5,000,000) annually for each of the last two (2) years. The City of Hagerstown may make exceptions to this rule on a case-by-case basis. Moreover, the successful applicant must also demonstrate proof of the following:

1. Ownership or lease agreements of the subject property.
 2. Property insurance
 3. Property taxes paid and current.
 4. No current delinquencies on any financial obligation to the City.
 5. Freedom from all judgments, liens, agreements, consent decrees, stipulations for settlements, or other such actions which would prevent the applicant from participating in any program administered by the City of Hagerstown; and
 6. Compliance with all applicable federal and state laws and City of Hagerstown ordinance and plans.
- B. **Eligible activities:** Loan funds may be used to assist small businesses primarily by providing financial assistance for the following types of activities, including but not limited to growth and expansion, rehabilitation, code compliance, and façade enhancement.
- C. **Eligible costs:** Eligible costs may include the following:
1. **Land improvements.** Improvements to the land which are a portion of the project cost, including but not limited to: grading, new streets or street improvements, parking lots, utilities, and landscaping.
 2. **Purchase or renovation of building.** Purchase and, if necessary, renovation of an existing industrial or commercial facility is permitted.
 3. **Purchase machinery or equipment.** Purchase of major items of machinery and equipment independent of land and buildings. These items must be defined to have a useful life of at least five (5) years.
 4. **Building construction.** Construction of a new building and/or a major addition to an existing building.
 5. **Leasehold improvements.** Revolving loan funds may be used for certain leasehold improvements provided the lease is equal to or greater than the term of the loan and the City secures a lien on the land or building, and improvements.
 6. **Micro-enterprise.** Micro-enterprise activities are eligible for revolving loan funds.
 - a. **Definition.** A micro-enterprise is defined as a commercial enterprise that has five (5) or fewer employees, one or more of whom owns the enterprise.
 - b. **Exemption.** Micro-enterprise loan applicants may be exempt from certain requirements of these guidelines on a case-by-case basis.
 7. **Working Capital.**
 8. **Infrastructure Improvements.** In order to promote job creation/retention for low- and moderate-income persons and/or to prevent or eliminate slums and blight the City may apply proceeds from the revolving loan fund to develop public infrastructure. Such infrastructure may include utilities, streets, walkways and/or parking facilities. The use of funds for these purposes must be appropriately documented as meeting economic development and redevelopment objectives.

VII. **Ineligible Activities:** Certain applicants, projects, activities, and cost are ineligible for revolving loan funds.

- A. **Ineligible applicants.** Subject to case-by-case exceptions in Section VI, any applicants not meeting the eligibility requirements outlined in Section VI, Paragraph A shall be ineligible to receive revolving loan funds.
- B. **Ineligible activities.** Funds may not be used for non-profit institutions, gambling organizations, pawn shops, gun shops, tanning salons, massage parlors (except businesses whose practitioners are all licensed massage therapists in accordance with the Maryland Massage Therapy Act, as amended from time to time), adult video/bookstores, adult entertainment facilities, check cashing, tattoo parlors, liquor stores, lending or investment organizations, land speculation, or any activity deemed illegal by federal, state, or local law or ordinance.
- C. **Ineligible costs.** Ineligible costs include but are not limited to management fees, financing costs, franchise fees, debt repayment or consolidation, moving costs and refinancing.

VIII. **Loan Terms and Conditions:** The City shall make available to eligible applicant's direct low-interest loans for the purpose of encouraging economic development, city center development, job creation and job retention, and preservation of business districts in the City of Hagerstown.

- A. **Loan amount:**
 - 1. **Maximum loan amount.** The maximum loan available from the revolving loan fund for each eligible project is limited to two hundred thousand dollars (\$200,000.00) or 80% of total project cost, whichever is less. Loans for working capital are limited to a maximum of thirty thousand dollars (\$30,000).
 - 2. **Minimum loan amount.** The minimum loan amount available from the revolving loan fund for each eligible project is five thousand dollars (\$5,000.00) unless restricted by other relevant programs.
- B. **Interest rate:** The interest rate shall be a fixed rate established at PRIME plus one percent (1%) as published in the Wall Street Journal on the date of application but shall not be less than three percent (3%). The HLRA reserves the right to establish interest rates on a case-by-case basis based upon existing market conditions, available collateral, and underwriting analysis.
- C. **Term:** No loan term may exceed seven (7) years. The following general terms apply:
 - 1. **Machinery/equipment.** The term of loans for machinery or equipment shall not exceed five (5) years.

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2. **Real estate acquisition/New Construction/Building Renovation.** The term of loans for land and/or buildings shall not exceed seven (7) years but may be amortized over a period of up to thirty (30) years.
 3. **Working Capital.** The term of loans for working capital shall not exceed five (5) years.
 4. **Balance Due.** All balances will be due and payable if and when the loan recipient sells or otherwise transfers any part of his/her interest in the property, fails to comply with the provisions contained in the loan documents, fails to meet any of the guidelines established within this document before the maturity date of the loan or relocates any part or all of the business outside the City of Hagerstown, or any other action which in the opinion of the City would put the collectability of the loan at risk.
- D. **Job creation.** To maximize the effectiveness of loans made under this program, the creation or retention of jobs is vital. HRLF applicants must demonstrate projected job creation and job retention that would result from use of loan funding.
- E. **Equity participation.** There shall be a minimum twenty percent (20%) cash equity investment of total project costs required of all applicants. On applications for new or recently opened restaurants (open three years or less) the minimum equity requirement shall be forty percent (40%). Proof of cash equity is required at time of application and may be in the form of current bank or investment statements. The HLRA may make exceptions to these rules on a case-by-case basis.
- F. **Collateral requirements.** All loan agreements will be secured by one or more of the following: promissory note, mortgage, financing statement or security agreement as determined by the City. If necessary, the City may accept a subordinate position in favor of the primary lender on the assets financed.
- G. **Letters of commitment.** Letters of commitment from all funding sources must be submitted for the application to be deemed complete.
- H. **Personal guaranty.** Personal guarantees for persons with 5% or greater ownership in the borrowing entity shall be required.
- I. **Loan repayments.** Repayment of the loan shall begin within one (1) month of completion of construction or possession of machinery and equipment purchased with loan funds, or six (6) months from the date of loan settlement, whichever is sooner. The City of Hagerstown may make exceptions to this rule on a case-by-case basis. Projects must be completed by a date set by the city in consultation with the borrower. In the event of failure to complete the project by the date specified, the loan may be cancelled, and repayment of any funds already drawn, plus interest are due and payable at that time.
- J. **Loan prepayment.** Prepayments are permitted without penalty provided the Borrower makes the city whole for any losses or costs associated with the prepayment.

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- K. **Notice of award or denial.** Approved applicants may be notified in writing or by phone within 14 days of receiving a complete loan application. At that time, general timeframes for application processing to settlement should be given. Applicants who have been denied will be notified in writing not more than fourteen (14) days after final action has been taken on their revolving loan fund application by the DHCD Staff or Hagerstown Loan Review Authority (HLRA).
- L. **Loan closing documents.** The City will close the loan within ninety (90) days of final approval of the loan application. At that time, the city will deliver to the Borrower all closing documents and a final debt service schedule. In exchange, the Borrower will deliver to the City its loan obligation which is defined as a bond, note, or other evidence of obligation issued by the Borrower to evidence indebtedness under the loan agreement.
- M. **Post-closing amendments and modifications.** Requests for amendments and modifications following award, closing or disbursement of funds to the underwriting of the original request shall require HLRA approval and shall be presented at the next scheduled meeting of the Board.
- N. **Loan declination.** The City of Hagerstown will not make a loan if it is determined that the loan amount would place an undue burden on the financial resources of the Borrower or the Borrower cannot demonstrate adequate financial capacity to repay the loan, the application does not meet the provisions of these guidelines, or it is otherwise determined that making the loan is not in the best interest of the City.
- O. **Appeal of denial:**
1. **Written notice.** Applicants will receive written notice of the denial of the loan and the reason(s) for the determination within fourteen (14) days of the determination.
 2. **Petition for reconsideration.** The aggrieved applicant may petition the HLRA in writing for reconsideration within fourteen (14) days from the date of the written notice of denial. The letter must state the reason(s) why the request for reconsideration is being made and provide detailed information that the reason(s) for the denial have been adequately addressed. If the applicant wishes to appear in person before the HLRA, the request must be in writing and be submitted at least seven (7) days prior to the HLRA's next scheduled meeting. Upon receipt of the written petition for reconsideration, the HLRA shall consider the petition at its next scheduled meeting and advise the petitioner in writing of its decision within fourteen (14) days of that meeting. The HLRA's decision will be final.
 3. **Petition to Mayor and City Council.** In those cases in which the HLRA, upon reconsideration, reaffirms its decision to deny a loan request, the applicant may petition the Mayor and City Council to review the decision. The review by Mayor and Council shall not decide as to the merits of the application but shall be a review of the record only and shall be limited to determining if the decision of the HLRA was arbitrary and capricious.
 4. **Reapplication.** Applicants aggrieved by the HLRA's final decision may re-apply for revolving loan funds after ninety (90) days if the concerns in the denied application are adequately and

appropriately addressed.

IX. Administration

- A. **Application process.** All parties seeking revolving loan funds must file an application. Application forms may be obtained from the Department of Housing & Community Development.
1. **Components of application.** Only completed applications will be reviewed for consideration by staff. A completed application is one that satisfies the checklist provided below:
 - a. Business plan describing the scope of the project, including site plans, building plans, renderings, or blueprints;
 - b. Project budget;
 - c. Private financing commitment;
 - d. Equity investment commitment;
 - e. Proposed security;
 - f. Company financial statements (3 years);
 - g. Personal financial statements (2 years);
 - h. Release for credit check;
 - i. Mortgage or lease of property to be improved;
 - j. Proof of insurance for property to be improved;
 - k. Number of jobs to be created or retained;
 - l. Wage information;
 - m. Amount of loan request; and
 - n. Other documentation as requested.
 2. **Incomplete application.** Staff, at their sole discretion, will determine if the application is complete and actionable. Incomplete applications will be assigned pending status, and the applicant will be informed in writing of the missing documentation. Incomplete applications in a pending status must be made complete within 30 days, and the applicant should be made aware of this timeframe in the missing documentation letter. Applications which have not been completed within 30 days shall be removed from pending status and the loan file closed. After 30 days, updated documentation may be required.
 3. **Transmittal.** Applications may be submitted in person or by fax or email, but must be dated, signed, and accompanied with a photocopy of a valid driver's license, state-issued Identification card, or U.S. Passport.
 4. **Determination of eligibility.** Applicant eligibility will be determined by staff using criteria enumerated in Section VI, subsection A of these guidelines.
 5. **Site inspection.** As part of the eligibility determination process, the City will inspect the property or building designated for improvements for compliance with City ordinances and zoning codes.
 6. **Credit check.** A credit check for each of the company's principals shall be conducted by staff and information obtained from the credit report may be used to determine credit worthiness and approval or decline of the loan request.
 7. **Loan request fee.** The following schedule of fees shall apply:

Loan Request	Fee
\$5,000-50,000	\$200
\$50,001-100,000	\$300
\$100,001-150,000	\$400
\$150,001-200,000	\$500

B. **Staff responsibility.** Staff shall have the general responsibility for coordinating the application process, reviewing loan application, preparing applications and recommendations for review by the HLRA, and coordinating the loan approval and service process as set forth in the following paragraphs C – E of this section.

C. **Loan approval process.** Department of Housing & Community Development (DHCD) staff will process loan applications and make recommendations to the Hagerstown Loan Review Authority (HLRA).

1. **Approval authority.** Upon determining the eligibility of the completed application and reviewing for credit worthiness and soundness of plan, Department of Housing & Community Development (DHCD) staff will forward all applications in excess of ten thousand dollars (\$10,000) to the HLRA for action in accordance with these guidelines.

For loan requests of ten thousand dollars (\$10,000) or less, staff shall have the authority to approve or deny the application following these guidelines.

2. **Criteria.** Each application shall be reviewed to determine the economic benefit to the City of Hagerstown, credit worthiness typical to the lending community including the borrower’s ability to repay the loan and the collateral offered to secure the loan, the number of jobs to be created or retained, wage rates of jobs created or retained, and anticipated increase in the local tax base.

3. **HLRA Authority.** The HLRA will serve as the loan review committee for all loans exceeding ten thousand (\$10,000). They will also hear appeals of decision to deny requests made by DHCD staff. If necessary, the committee may seek clarification or additional information before rendering a decision. Final determination on all revolving loan applications rests with the HLRA. Denial of loan applications for less than \$10,000 is not appealable to the Mayor & City Council.

4. **Notification of action.** The applicant shall be notified in writing within fourteen (14) days of the decision in accordance with the requirements set forth in Section VIII, Paragraph K of these guidelines.

5. **Approval.** If approved, the applicant will be provided with a written commitment letter that will outline the terms and conditions of the loan approval. A copy of the commitment letter will be signed by the Borrowers and Guarantors signifying acceptance of the terms and conditions of the loan proposal and the conditions for funding. Upon the return of the executed commitment letter, DHCD staff will begin the loan closing process with the City Attorney.

6. **Closing.** The borrower may choose the settlement attorney. It shall be the responsibility of the borrower or borrower’s attorney to coordinate review of the closing documents with the City Attorney. All costs of settlement including, but not limited to, document preparation and review, title examination and title insurance, recordation fees, and the City’s legal costs (including but not limited to fees incurred for the City Attorney to prepare the note, mortgage and similar documents) shall be

payable by the borrower at or before closing.

- D. **Conflict of interest.** All city officials and employees shall comply with the applicable requirements set forth in the current version of the City's Code of Ethics, set forth in Section 33 of the City Code, and as amended from time to time.
- E. **Loan servicing.** Department of Housing & Community Development (DHCD) staff will coordinate loan servicing activities.
1. **Monitoring.** DHCD staff will monitor loans for compliance with the accepted terms and conditions including job creation statistics and wage and benefit levels.
 2. **Reports.** DHCD staff is responsible for ensuring that all required reports are filed in a timely manner.
 3. **Records.** Computer files and conventional paper files will be maintained for the purpose of documenting, tracking, and monitoring program and project activities. Program records will be maintained primarily by the Department of Housing & Community Development. Where applicable, the following records will be maintained:
 - a. **Program records.** The following program information will be maintained in the program project file, including but not limited to:
 - i. Eligibility determination records as set forth in Section IX, Paragraph E (1) (a-n);
 - ii. Progress reports;
 - iii. Property inspections;
 - iv. HLRA Resolutions;
 - v. Correspondence;
 - vi. Loan documents; and
 - vii. Executed loan agreement.
 - b. **Financial records.** The following financial information will be maintained in the financial project file, including but not limited to:
 - i. Copy of the executed loan agreement;
 - ii. Disbursement data;
 - iii. Progress reports;
 - iv. Repayment data; and
 - v. Amortization tables.
 4. **Record retention.** All program and financial records, supporting documents, statistical records, environmental review records and other records pertinent to the revolving loan program shall be maintained for a period of at least three (3) years from the final project report and project closeout date.

X. **Default**

Late payments received after the due date will be assessed as a 5% late fee. Loan accounts that are 30 days past due will result in mailed correspondence alerting the accountholder to the delinquency. Loan accounts past due by 60 days or more are considered in default and will be conveyed to the City Attorney or other

collection agency for disposition. Loan accounts can also be considered default if other conditions of the loan agreement, promissory note or mortgage are violated.

XI. Funding Acknowledgement

For projects financially supported by Revolving Loan Funds the Borrower shall:

- A. Acknowledge Revolving Loan Fund support in certain written materials including company brochures, reports, newsletters, and press releases; and
- B. Post a City-approved temporary sign on the building or expansion construction site that acknowledges financial support from the City of Hagerstown.

XII. Reporting to Mayor and City Council

At least annually, staff shall report to the Mayor and Council the status of the program, including a summary of the loan portfolio. Additionally, staff shall report on the number of applications received, the number and dollar amount approved and the number denied.

Adopted by Mayor and City Council: December 16, 2025



HAGERSTOWN REVOLVING LOAN FUND APPLICATION

BUSINESS INFORMATION

Business Name: _____

Business Address: _____ Hagerstown, MD Zip: _____

Federal Tax ID# or SSN: _____

Business Owner(s):

<i>Principals</i>	<i>% Ownership</i>	<i>Address</i>	<i>SSN</i>

Business Phone Number(s): _____

Business Email Address(es): _____

Business Website: _____

Contact Information:

Contact Person (if different from Owner): _____

Job Title: _____

Contact Phone Number: _____

Contact Email Address: _____

Business Entity:

- Proprietorship Limited Partnership General Partnership Limited Liability Company
- Corporation

Have the business sales been less than five million dollars annually for each of the last two (2) years?

- No** - you are ineligible **Yes** - financial statements are required, see documentation checklist

Business Description (include types of products or services offered):

How long has the business been in existence? _____ years _____ months

If a start-up business, does the applicant have previous experience in this type of business?

- No** **Yes**

If yes, please list previous experience. If not, please list qualifications (attach additional sheet if necessary.)

REQUESTED LOAN AMOUNT AND DISTRIBUTION

Please review the guidelines for required attachments and be advised that Revolving Loan applications are subject to credit approval. Check all that apply:

- | | |
|---|-------------------------|
| <input type="checkbox"/> Building Acquisition: | Amount Requested: _____ |
| <input type="checkbox"/> Building Rehabilitation: | Amount Requested: _____ |
| <input type="checkbox"/> Building Construction: | Amount Requested: _____ |
| <input type="checkbox"/> Land Improvements: | Amount Requested: _____ |
| <input type="checkbox"/> Machinery and Equipment: | Amount Requested: _____ |
| <input type="checkbox"/> Leaseholder Improvement: | Amount Requested: _____ |
| <input type="checkbox"/> Working Capital: | Amount Requested: _____ |
| <input type="checkbox"/> Other: _____ | Amount Requested: _____ |
| <input type="checkbox"/> Other: _____ | Amount Requested: _____ |
| <input type="checkbox"/> Other: _____ | Amount Requested: _____ |

Total Loan Amount Requested: _____

Explanation of Loan Distribution:

Please provide additional information detailing the purpose of the loan (attach additional sheet if necessary)

FINANCIAL INFORMATION

Total Project Cost: \$ _____

Owner's Equity in Project: \$ _____ % of Project Cost: _____

Please list and provide sources of equity (cash, stock, CDs, etc.):

Have you applied for conventional financing? No Yes

Have you been approved for conventional financing? No Yes

If yes, please list the financial institution: _____

Please list anticipated sources and amounts of additional funds:

EXPECTED BENEFITS AND RESULTS

Indicate the number and types of new jobs expected to be created:

- # of jobs within the first six months _____
- # of jobs within one to four years _____
- # of skilled workers _____
- # of unskilled workers _____

Do any positions require special education or experience? **No** **Yes**

If yes, please detail the requirements:

State the means of advertising and recruitment efforts for new jobs created:

State the training opportunities for new jobs created:

If applicable, indicate the number of existing jobs that will be retained as a result of the loan:

- # of skilled workers _____
- # of unskilled workers _____

REAL PROPERTY INFORMATION

Please complete this section if this loan is for the rehabilitation of an existing building or the installation of equipment financed will require structural modifications to an existing building.

Building Name: _____

Building Address: _____ Hagerstown, MD Zip: _____

Building Owner(s): _____

Phone Number(s): _____

If leasing the building, indicate the expiration date of the lease agreement: _____

Will the owner(s) allow the City of Hagerstown to place a lien on the property? **No** **Yes**

If no, how does applicant plan to provide adequate and sufficient collateral for the loan: _____

APPLICATION FEE

When submitting your Hagerstown Revolving Loan Fund (HRLF) Application, please remit the appropriate fee for the requested loan amount. The fee schedule is listed below:

Loan Request	Fee
5,000-50,000	\$200
50,001-100,000	\$300
100,001-150,000	\$400
150,001-200,000	\$500

Certified Check or Money Order

Made payable to: The City of Hagerstown

Return Completed application to:

Department of Housing & Community Development
ATTN: Amanda Gregg
14 N. Potomac Street, Suite 200A
Hagerstown, MD 21740

CERTIFICATION

I/We certify that the information provided in this application is true and correct as of the date set forth opposite my/our signature(s). I/We acknowledge my/our understanding that intentional or negligent misrepresentation(s) of the information contained in this application may result in denial of this application and liability for monetary damages to the City of Hagerstown, its agents, insurers and any other person who may suffer any loss due to reliance upon any misinformation which I/we have made on this application. I/We agree that verification of information contained in this application may be made, either directly or through a credit reporting agency or from any source named in this application, and the original copy of this application will be retained by the City of Hagerstown, even if the loan is not approved. I/We authorize the City of Hagerstown to obtain individual and/or business credit reports and understand that any information obtained from the credit reporting agency may be used to determine eligibility for this request. I/We understand that the City of Hagerstown prohibits discrimination on the basis of race, color, sex, religion, or national/ethnic origin in the hiring of contractors and subcontractors, and further requires that loan and/or grant recipients prohibit such discrimination in the hiring of contractors or subcontractors to carry out any portion of the project(s) funded by loan/grant proceeds and to ensure equal employment opportunity without regard to these factors.

Borrower's Name (printed): _____ **Title:** _____

Borrower's Signature: _____ **Date:** _____

Co-Borrower's Name (printed): _____ **Title:** _____

Co-Borrower's Signature: _____ **Date:** _____

NOTE: Please see the attached Required Support Documentation Checklist to ensure your submission is complete. Any application submitted without all required documentation will not be reviewed until the needed documentation is received.

REQUIRED SUPPORTING DOCUMENTATION CHECKLIST

Those interested in participating in the Hagerstown Revolving Loan Fund Program must complete the loan application and must submit all requested documentation in support of the loan application. Because of the different types of assistance offered under the program, all items will not be applicable in all cases and are so marked.

- 1. Business income tax returns for the preceding three (3) years.
 - If startup, provide personal income tax returns of business owner(s) for the preceding three (3) years.
- 2. Business financial statements for the preceding three (3) years to include balance sheets and profit/loss statements.
 - If startup, provide financial projections for three (3) years to include balance sheets, profit/loss statements and cash flow.
- 3. Current year-to-date balance sheet and profit/loss statement.
- 4. Personal financial statement for each owner, principal, or general partner.
- 5. Evidence of Organization including Articles of Incorporation, By-Laws, and Corporate Resolutions to borrow funds, if applicable.
- 6. General or Limited Partnership Agreement, if applicable.
- 7. Deed evidencing ownership of business property, a long-term lease or sales contract as applicable.
- 8. A copy of the most recent statement for all mortgages outstanding on business property.
- 9. A copy of the current business property insurance policy.
- 10. A copy of the most recent property tax bill, paid and current.
- 11. Evidence of zoning compliance for business entity.
- 12. Complete Business Plan, if new (<3 years).
- 13. A non-refundable application fee (variable based on fee schedule) made payable to the City of Hagerstown plus the actual cost of credit report(s).

NOTE: Due to the scope and variation in applicant types, additional information may be requested throughout the application review process. Any application submitted without all required and requested documentation will not be processed until the needed documentation is received.

PERSONAL FINANCIAL STATEMENT

NOTE: If you have completed a personal financial statement for a bank within the last 3 months, you may provide that in lieu of completing this statement.

- This is an application for individual credit in my name only. I will be relying on my own income and assets and not the income/assets of another person as the basis for repayment of the credit requested.
- This is an application for joint credit with another person
- This is an application related to my guaranty of the indebtedness of another person or a corporation/partnership

SECTION 1 – Applicant

Name: _____
 Residence Address: _____
 City, State, Zip: _____
 Position/Job Title: _____
 Business Name: _____
 Business Address: _____
 City, State, Zip: _____
 Phone: _____ Cell: _____
 Email: _____

SECTION 2 – Co-Applicant (Joint Credit)

Name: _____
 Residence Address: _____
 City, State, Zip: _____
 Position/Job Title: _____
 Business Name: _____
 Business Address: _____
 City, State, Zip: _____
 Phone: _____ Cell: _____
 Email: _____

SECTION 3 – Summary Statement of Financial Condition as of _____

ASSETS	AMOUNT	LIABILITIES	AMOUNT
CASH ON HAND & IN BANKS	\$	NOTES PAYABLE TO BANKS – SECURED	\$
MARKETABLE SECURITIES – SCH A	\$	NOTES PAYABLE TO BANKS – UNSECURED	\$
NON-MARKETABLE SECURITIES – SCH B	\$	DUE TO BROKERS	\$
BROKER HELD SECURITIES	\$	ITEMS PAYABLE TO OTHERS – SECURED	\$
RESTRICTED OR CONTROL STOCKS	\$	ITEMS PAYABLE TO OTHERS – UNSECURED	\$
INTEREST IN REAL ESTATE – SCH C	\$	ACCOUNTS AND BILLS DUE	\$
REAL ESTATE OWNED – SCH D	\$	UNPAID INCOME TAX	\$
LOANS RECEIVABLE	\$	OTHER UNPAID TAXES AND INTEREST	\$
AUTOMOBILES/PERSONAL PROPERTY	\$	REAL ESTATE MORTGAGES – SCH D	\$
CASH VALUE LIFE INSURANCE – SCH E	\$	OTHER DEBTS – ITEMIZED:	\$
OTHER ASSETS – ITEMIZED:	\$		\$
RETIREMENT ACCOUNTS	\$		\$
TOTAL ASSETS	\$	TOTAL LIABILITIES	\$

NET WORTH (TOTAL ASSETS MINUS TOTAL LIABILITIES): _____

SECTION 4 – Income, Contingent Liabilities and Personal Information

Sources of income for year ended _____		PERSONAL INFORMATION	
Salary, bonuses, & commissions	\$	Do you have a will?	If yes, name executor:
Dividends	\$		
Real estate income	\$	Are you a partner or officer in any other venture? If so, describe:	
Other income: (alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation)			
	\$	Are you obligated to pay alimony, child support, or separate maintenance payments? If so, describe:	
	\$		
Total	\$	Are any assets pledged other than as described on schedules? If so, describe:	
CONTINGENT LIABILITIES			
Do you have any contingent liabilities? If so, describe:		Income tax settled through (date):	
As Endorser, Co-Maker, of Guarantor?	\$	Are you a defendant in any suits or legal actions?	
On leases or contracts?	\$	Name of bank holding personal accounts:	
Legal Claims	\$	Have you ever declared bankruptcy? If so, describe:	
Other Special Debt	\$		
Amount of Contested Income Tax Liens	\$		

Complete the following schedules where applicable. Attach additional pages if necessary.

SCHEDULE A – Marketable Securities

# of Shares/Bonds	Description	In Name Of	Pledged?	Market Value

SCHEDULE B – Non-Marketable Securities

# Shares	Description	In Name Of	Source of Value	Market Value
				\$
				\$
				\$

SCHEDULE C – Partial Interests in Real Estate Equities

Address/Type of Property	Title in Name of	% Ownership	Date Acquired	Market Value	Mortgage Amount
		%		\$	\$
		%		\$	\$
		%		\$	\$

SCHEDULE D – Real Estate Owned

Address/Type of Property	Title in Name of	Date Acquired	Market Value	Mortgage Amount
			\$	\$
			\$	\$
			\$	\$

SCHEDULE E – Life Insurance Carried

Insurance Company	Policy Owner	Beneficiary	Pledged?	Face Value	Cash Value
				\$	\$
				\$	\$
				\$	\$

SCHEDULE F – Banks of Finance Companies Where Credit has been Obtained

Name of Lender	Credit in the Name of:	Secured or Unsecured?	Original Date	Current Balance
				\$
				\$
				\$

ACKNOWLEDGMENT

The information contained in this statement is provided for the purpose of obtaining financial assistance through a City of Hagerstown loan program on behalf of the undersigned, or persons, firms, or corporations in whose behalf the undersigned may either severally or jointly with others, execute a guaranty. Each undersigned understands that the City of Hagerstown is relying on the information provided herein in deciding to extend credit. Each undersigned represents and warrants that the information provided is true and complete and that the city may consider this statement as continuing to be true and complete unless a written notice of change is given by the undersigned. This personal financial statement and any other financial or other information provided shall be the property of the City of Hagerstown. Authorization is hereby given to the City of Hagerstown to make all inquiries deemed necessary to verify the accuracy of the statements made herein and to determine creditworthiness.

Applicant Signature: _____ **Date:** _____

SSN: _____ **Date of Birth:** _____

Co-Applicant Signature: _____ **Date:** _____

SSN: _____ **Date of Birth:** _____

Please return to:
Department of Housing & Community Development
ATTN: Amanda Gregg
14 N. Potomac St., Ste. 200A
Hagerstown, MD 21740
agregg@hagerstownmd.org
301-797-6291