

Hannibal Industrial Development Company

Revolving Loan Fund

Purpose of funds: The Hannibal Industrial Development Corporation Revolving Loan Fund exists to attract and assist in the start up of new businesses in Marion and Ralls County. Additionally, the loan will provide funding for small growth projects as well as gap financing for larger projects. The goal of the RLF is to assist in economic development through providing access to funds for clients who do not fit the traditional model of private bank loans.

Eligible lending areas: Marion & Ralls County, Missouri

Eligible applicants: For profit businesses existing as a legal business entity including but not limited to sole proprietorships, limited liability companies, S corporations, or C corporations

Loan Size: Loans of up to \$25,000

Loan Terms: Negotiable depending on applicant need and capability and current market rates.

Moratoria: Negotiable based on applicant need and capability. Loan structure will be written to consider business industry seasons or longevity of the business.

Delinquent and Defaulted Loans

A borrower who is delinquent or is showing a pattern of late payments is contacted by a written notice after 10 business days and by phone 30 days after the payment due date. HIDC will determine if it is necessary for the borrower to submit additional statements or speak to the HIDC Board of Directors concerning the delinquency. HIDC will continue to monitor as necessary. It will be to the board's discretion to approve when late fees should be assessed.

Late fees that will be applied and recorded to a delinquent loan by the borrower will be assessed after 30 business days past the due date with a minimum charge of \$25.00 and a maximum of 5 percent of the loan payment amount, whichever is greater. If there are additional delinquent activities by the borrower, the borrower must submit in writing or present to the Hannibal Industrial Development Corporation a request for an exemption of late payment fee.

After a late fee has been assessed or waived and the borrower continues to be delinquent, HIDC will follow the following, but not limited to, collections process:

- Request the attorney to issue a demand letter;
- Negotiate a catch-up plan or deferment if applicable;
- Request the attorney to start the wage garnishment process; and/or
- Assess and collect any available collateral and/or negotiate with the bank for a better collateral position;

In the case of bankruptcy by a borrower, HIDC will request the attorney to file a Proof of Claim.

Required Documents

- Pre-screening form
- Personal Financial Statement ([SBA Form 413](#))

- Business Plan including 3 years of rough financial projections
- Credit Report Authorization (Consent) Form

Loan Approval Process

1. Applicant will request pre-screening form from the Small Business Development Center at HREDC.
2. Applicant should complete the pre-screening form and a personal financial statement before submitting the form to the SBDC at HREDC.
3. SBDC will bring the pre-screening form and personal financial statement before the HIDC Board of Directors.
4. HIDC Board of Directors will approve or deny further consideration of the project.
5. SBDC will notify the applicant of the approval or denial.
6. Applicant will work with SBDC to develop a business plan. Once a rough business plan is completed, the applicant will complete a credit report authorization form.
7. SBDC will take the business plan to the HIDC Board for consideration and the applicants credit history will be assessed.
8. At the next monthly meeting of HIDC, the applicant will give a brief 10-minute presentation regarding the considered project to the board.
9. Following the presentation, the board will deliberate on the approval of the loan.
10. The board will inform the SBDC of the approval or denial.
11. After notifying the applicant, the applicant will meet with the RLF Committee to discuss the terms of the loan.
12. Once terms have been negotiated, the HIDC counsel will write the loan documents to be signed by the applicant.

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Pre-screening Form

Name of Potential Applicant Business: _____

Name of Principal Contact Person: _____ Title: _____

Type of business (list products or services): _____

Mailing Address: _____

Phone Number: _____ Email: _____

Project location: _____

Is this a new or an existing business (check one)? NEW EXISTING

Brief description of the business:

Brief description of need for funding:

How will the RLF funds be used:

How has the owner of the business personally invested in the business?

How have you previously tested your business idea?

What experience do you have in the field of your business?

Approx. Total Project Cost: \$ _____ Estimated RLF financing: \$ _____

Is there known financing for part of the project? Yes No Equity: \$ _____ Debt: \$ _____

Do you have an existing business plan? Yes No Do you have collateral? Yes No Value? _____

When will the financing be needed to undertake the proposed activities? _____

What is your estimate of the number of full-time equivalent jobs to be maintained/created by the project?

Maintained: _____ Created: _____ Timeframe for Job Creation _____

Name of Person Submitting this form: _____ Date: _____

Please submit form to Maria Kuhns at Hannibal Regional Economic Development Council.

3817 McMasters Avenue, Hannibal, MO 63401

Phone: 573-221-1033

Email: sbdc@hredc.com

HIDC Board of Directors meets monthly on the first Thursday of the month. Applications will be reviewed at the BOD meeting unless circumstances require a more immediate assessment of the loan.