



HELP FUND



Application Information

A completed HELP Fund application is necessary to evaluate the proposed project and make recommendations to the Loan Review Committee. In addition to this application, the applicant must also provide additional information including business and financial information and supporting documents (see Application Checklist).

A non-refundable application fee of \$100 is payable at the time an application is submitted. After an initial review by Heartland, the Loan Review Committee will review the project and make a recommendation to the Heartland board of directors, who will determine final course of action. The applicant will be responsible for all closing costs associated with the loan.

Privacy is assured. Applicants' financial information and trade secrets will be held in confidence and considered as needed in executive session or at meetings that are closed to the public and deemed confidential pursuant to state law.

For assistance when completing this application package, please contact Heartland Manager of Community and Economic Development Russell Olson or Heartland Chief Financial Officer Mike Malone at (605) 256-6536.

Completed applications and documentation can be submitted electronically in PDF format, emailed to rolson@hcpd.com or printed and mailed to PO Box 248, Madison, SD 57042.

Program Information

The Heartland Economic development Loan Program (HELP) Fund is a revolving loan fund established by Heartland to encourage economic development and growth in customer communities. Loans are provided to customers, their economic development corporations and new and expanding businesses served by Heartland customers. Loans are awarded for projects that advance the purpose of the district by encouraging and extending the use of electric energy, for business ownership and expansion, job retention and creation and entrepreneurial enterprises.

A minimum of 10% equity contribution from the applicant is required as well as participation from a commercial lender. The Fund works closely with applicants to apply for additional financing through local banks, federal, state and local agencies and other loan funds (local, regional, state and federal programs). Depending on the loan type, we may require documentation stating said institution cannot finance the entire project, thus creating the need for a partner (the Fund) to participate.

Via an Intermediary Relending Program (IRP), Heartland will match 25% of the total participation and the United States Department of Agriculture (USDA) will match 75%. Loans will not exceed \$150,000 or 75% of total project cost.

Terms

Heartland will assist applicants in preparing the application and packaging free of charge. Fees such as filing fees, attorney fees, abstracting costs and other fees appropriate to the loan will be paid by the applicant and may be included in the IRP financing. All fees and charges will be documented and justified at the time the loan request is submitted to Rural Development for processing.

The loan review committee determines loan interest rates. Loans may be limited to a maximum of 20 years for land, building and permanent fixtures; 15 years or useful lifespan for machinery or equipment, and 7 years for working capital.

If loan funds are committed, they must be used within 60 days. If funds are not used within 60 days, interest will accrue at the rate specified for your loan or the funds will be returned to the HELP Fund.

For new construction or expansion projects, the applicant must have approval from the Loan Review Committee prior to beginning the project. Failure to do so will jeopardize loan fund eligibility.

Eligible Costs

- Business and industrial acquisitions (if the loan will keep the business from closing, prevent the loss of employment opportunities or provide expanded job opportunities)
- Business construction, conversion, enlargement, repair, modernization or development
- Purchase and/or development of land, easements, rights-of-way, buildings, facilities, leases or materials
- Purchase of equipment, leasehold improvements, machinery or supplies
- Pollution control and abatement
- Transportation services
- Start-up operating costs and working capital
- Interest (including interest on interim financing) during the period before a facility becomes income-producing, but not to exceed 3 years
- Community infrastructure
- Reasonable fees and charges, only as specified here. Authorized fees include loan packaging fees, environmental data collection fees, management consultant fees and their fees for services rendered by professionals. Professionals include persons such as engineers, architects, lawyers, accountants, appraisers or other individuals licensed by States or an accreditation association. The maximum amount of fee will be what is reasonable and customary in the community or region where the project is located. Any such fees are to be fully documented and justified.

Ineligible Costs

- Assistance in excess of what is needed to accomplish the purpose of the ultimate recipient's project
- Distribution or payment to the owner, partners, shareholders or beneficiaries of the ultimate recipient, or members of their families, when such persons will retain any portion of their equity in the ultimate recipient
- Churches, organizations affiliated with or sponsored by churches, fraternal organizations and charitable institutions that would not have revenue from sales or fees to support the operation and repay the loan
- Assistance to government employees, military personnel, or principals or employees of the intermediary or organizations for which such persons are directors or officers or in which he/she has ownership of 20% or more
- Loans to an ultimate recipient who has an application pending with or a loan outstanding from another intermediary involving an IRP revolving fund, if the total IRP loans would exceed the limits established in § 4274.331 (b)
- Agricultural production
- Transfer of ownership, unless the loan will keep the business from closing, prevent the loss of employment opportunities or provide expanded job opportunities
- Community antenna television services or facilities
- Illegal activity
- Any project in violation of a federal, state or local environmental protection law or regulation, or an enforceable land-use restriction, unless the assistance given will result in curing or removing the violation
- Lending and investment institutions and insurance companies
- Golf courses, race tracks or gambling facilities

Application Checklist

Copies of all items marked below must be submitted to Heartland **before** final action can be taken on your loan request.

_____ Application

Business Financial Data (necessary to make loan recommendation)

_____ Business Plan

_____ Balance Sheet, Income Statements and Cash Flow Statement for past three years

_____ Projected Balance Sheet, Income Statement and Cash Flow Statement for next three years (preferably use the SBDC Proforma Template)

_____ Interim financial statements (current within 60 days)

_____ Business tax returns for past three years

_____ Personal tax returns of principal owners (over 20%) for past three years

_____ Personal Financial Statement(s) of principal owners (over 20%), current and signed

_____ Cost estimates on real estate, construction and equipment purchases

_____ Preliminary building plans and specifications

_____ Lease Agreement

_____ Summary of Collateral

_____ Collateral Position(s) of all lenders identified in the application

_____ Bank Denial Letter (establishing need for additional funds, if applicable)

_____ Bank Commitment Letter and/or letter identifying other funding sources

_____ Corporate Resolution giving authority to borrow funds and execute loan documents, if applicable

_____ Verification of corporation status

_____ \$100 Non-refundable application processing fee, payable to Heartland Consumers Power District

Supporting Documents (necessary to process loan)

_____ Resume(s) of Principal(s) (typically those with 20% ownership or more)

_____ Articles of Incorporation/By-Laws, if applicable

_____ Partnership Agreement, if applicable

_____ Franchise Agreement

_____ Certificate of Good Standing

_____ Purchase Agreement

_____ Buy-Out Agreement

_____ Project or real estate appraisal

_____ Proof of Insurance on business/premises

_____ Site map or photo of the project

_____ Environmental Information (Form 1940-20)

_____ Assurance Agreement (Form 400-04)

_____ Certificate Re: Debarment, suspension and other responsibility matters (Form AD-1047)

_____ Certificate Re: Drug-free workplace (Form AD-1049)

_____ Certificate Re: Lobbying

Application Form

Please type or print clearly. Be sure to fill in each blank and answer each question. If not applicable, mark N/A and explain. Attach additional sheets if necessary. Financial data and supplemental information as indicated in the Application Checklist is required prior to loan review.

Applicant Name(s): _____

Business Name: _____

Address: _____ City: _____

State: _____ Zip: _____

Phone: _____ Fax: _____

Legal Description of Project: _____

Veteran Status: _____ Family Military or Veteran Status: _____

Project Classification:

_____ Infrastructure _____ Community _____ Home-Based Business

_____ Retail _____ Manufacturing (light) _____ Manufacturing (heavy)

_____ Back Office _____ Wholesale Distributor

Other: _____

Date Business Established: _____

Employer ID#: _____ Owner Soc. Sec. Number: _____

DUNS Number _____

Rural Development is required to comply with Public Law 109-282, "Federal Funding Accountability and Transparency Act of 2006." Therefore, all applications submitted for loans and grants must include a Data Universal Numbering System (DUNS) number in order to be processed. The DUNS number is a unique nine-character identification number provided by the commercial company Dun & Bradstreet. If your organization has not previously obtained a DUNS, you must obtain one by calling 1-866-705-5711 or visiting www.dnb.com. Registration is free, but please note online registration may take up to 14 days to complete.

Amount Requested: _____ Purpose: _____

Collateral Offered: _____

1. DESCRIBE YOUR BUSINESS (legal structure, ownership, primary business activity, management experience and any subsidiaries, divisions of major outside investment by company or owners):

2. DESCRIBE THE PROPOSED PROJECT (include previous experience that supports successful achievement):

3. SOURCES AND USES OF FUNDS:

Proposed Sources of Funds

Amount applied for from the HELP Fund _____

Amount applied for from Bank _____

Amount applied for from regional/local funds _____

Amount applied for from other _____

Total _____

Proposed Uses of Funds (include all costs associated with project)

Land _____

Land Improvements _____

Building _____

Remodeling _____

New Construction _____

Machinery & Equipment (attach list and cost) _____

Furniture & Fixtures (attach list and cost) _____

Working Capital _____

Inventory _____

Accounts Receivable _____

Other _____

Total _____

Please specify the source of the borrower's equity injection:

4. PARTICIPATING, SERVICING OR SPONSORING LENDER:

Lender Name: _____

Address: _____ City: _____

State: _____ Zip: _____

Phone: _____ Fax: _____

Business Account Number: _____

Loan Amount Requested for this Project: _____

Term: _____ Interest Rate: _____

Contact Person: _____

Email: _____

Participating Lending Comments: _____

The Primary objective of the Fund is to assist projects that contribute to rural development, job retention and/or creation, improve rural infrastructure and meet unmet needs in rural areas resulting in the creation of new wealth. In this objective, the HELP Fund participates with financial institutions and other lenders to maximize the available capital for development projects. The HELP Fund may require that the applicant have a commitment from a lender prior to applying for funds. Approval of a loan may be contingent upon this agreement.

5. CURRENT EMPLOYMENT INFORMATION (do not include owners):

	Full Time	Part Time
Present number of employees	_____	_____
Present total annual payroll	_____	_____

6. JOBS CREATED AS A RESULT OF THIS LOAN (do not include owners unless start-up company and owners are to be principally engaged in daily business activity):

	Full Time	Part Time
Number of jobs to be created	_____	_____
Date by which jobs will be established	_____	_____
Projected total annual payroll	_____	_____

Total Number of Employees in Various Job Categories

	Present	Projected		Present	Projected
Mangers	_____	_____	Office	_____	_____
Professional	_____	_____	Agriculture	_____	_____
Sales	_____	_____	Other	_____	_____

The HELP Fund Board of Directors believes that business forecasting and planning is the key to operating a successful business enterprise. For this reason, the loan committee requires that in most cases, applicants complete a business plan, including financial history and projections. If you have already completed a business plan for your operation, please submit it with a completed application form.

The applicant recognizes that the HELP Fund may not process an application that is not complete. Incomplete applications will be returned to the applicant for completion.

All information provided in schedules attached hereto is true and complete to the best knowledge and belief of the applicant, and there is not intent to deceive or defraud the HELP Fund or any potential participant in any loans to finance the project.

Name of applicant company: _____

Name of authorized official: _____

Title of authorized official: _____

Signature: _____ Date: _____

Confidential Credit and Personal Background Report

The HELP Fund will obtain, at its own expense, a credit report and personal background check on the applicant(s). The HELP Fund will comply with all provisions of the Fair Credit Reporting Act (15 USC 1681 et seq.). The HELP Fund will not disclose any part of any credit report or background check to anyone except authorized individuals, which may include the financial institution or lending agency (if any) agreeing to participate with the HELP Fund.

Certification

I/We hereby certify that the information contained in this application and the attachments are correct to the best of my/our knowledge.

I/We hereby certify that I/we have read, understand and agree to the terms and conditions of the HELP Fund.

I/We grant the HELP Fund Board and staff the authorization to make all inquiries, including but not limited to, credit, as deemed necessary to verify the accuracy of the statements made herein with this applicaiton.

Name	Signature	Date
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Name	Signature	Date
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Name	Signature	Date
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In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, age, disability, religion, sex and familial status. (Not all prohibited bases apply to all programs). To file a complaint of discrimination, write USDA, Director Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 760-6382 (TDD).

Heartland Consumers Power District is an Equal Employment Opportunity Employer. Discrimination because of gender, race, color, religion, national origin, age, disability or veteran's status is prohibited. Heartland recruits, hires, trains and promotes the most qualified person into all levels without regard to age, race, color, religion, national origin, gender or disability (except where disability and gender are bonafide occupational qualification).