



Wyoming Smart Capital Network Collateral Support Program

BORROWER LOAN APPLICATION

The undersigned applicant requests financing from the Lender through the Wyoming Smart Capital Network Collateral Support Program in order to commence or expand its business.

Borrower Information

Borrower Name: _____
(Must be Borrower's full legal name)

EIN#: _____

State of Organization: _____

Type of Organization Corporation Limited Liability Company
 Limited Partnership General Partnership
 Sole Proprietorship Other (specify:) _____

Year Incorporated or Organized: _____

Primary Industry: _____ 6 digit NAICS# _____

Operating Entity (if different than Borrower): _____

Minority or Women Owned Business: Yes No

Borrower Address: _____
(Must be a physical street address)

City: _____ State: _____ County: _____ Zip: _____

Business Description: _____

Annual Revenue Last Fiscal Year: \$ _____

Current Employment: Full Time: _____ Part Time: _____

Estimated number of Jobs to be created Estimated number of Jobs to be retained
with this Loan within 1-2 years: _____ with this Loan _____

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Full Time: _____
Part Time: _____

Full Time: _____
Part Time: _____

Estimated Annual Wages of New Jobs: Full Time: \$ _____ Part Time: \$ _____

Principals of Borrower (see attached "Definition of Terms and Examples"):

Name:

Relationship to Borrower:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(Attach additional names if more space is needed.)

Please include the following additional documents and any documents requested by the Lender:

- Materials that thoroughly describe the business.
- Financial Projections.
- Year-end financial statements for the last three years.
- Interim financial statement dated within the last 90 days.
- Federal tax return for the most recent year.
- Personal financial statement of controlling principals, senior officers and guarantors, signed and dated.
- List of equity owners and amount (percentage) owned by each.
- Organizational documents, bylaws and other governing documents.
- Summary of lease and debt obligations (Note: For each obligation include original amount, current balance, origination date, maturity date, interest rate, amount of principal payments and any other information necessary to explain the timing and amount of future payments.)
- List of assets and liens and collateral offered.

Loan Information:

Loan Amount Requested: \$ _____

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Type of Loan: _____ Term Loan _____ Revolving Loan

Loan Purpose(s): _____

Amount of additional private financing that is caused by or resulting from the Loan:

\$ _____ (Explain below. See attached "Definition of Terms and Examples".)

Information Regarding Eligibility for CSP Program:

Is the Borrower's place of business or manufacturing facility located within the geographic borders (city limits) of a municipality participating in the Wyoming Smart Capital Network Collateral Support Program? Yes No

If "No," state how the Loan will result in significant economic benefit to the nearest participating municipality:

Check each of the boxes below if true:

The Borrower has no more than 500 employees as of the date of loan closing.

Neither the Borrower nor or any of its affiliates, subsidiaries, officers, directors and any person who, directly or indirectly, holds a pecuniary interest in the Borrower of 20% or more: (i) have any criminal convictions incident to the application for or performance of a state contract or subcontract, and (ii) have any criminal convictions or have been held liable in any civil proceeding that negatively reflects on the person's business integrity, including without limitation, based on a finding of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property or violation of state or federal antitrust statutes.

The Borrower is not in material violation of any federal or state law, judgment, decree, order, or governmental rule or regulation.

The proceeds of the Loan will not be used to pay any person to influence or attempt to influence any agency, elected official, officer or employee of a State or Local Government in connection with the

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making, award, extension, continuation, renewal, amendment, or modification of any State or Local Government contract, grant, loan or cooperative agreement as such terms are defined in 31 U.S.C. §1352.

The proceeds of the Loan will be used for a "business purpose." A business purpose includes, but is not limited to, start up costs, working capital, business procurement, franchise fees, equipment, inventory, as well as the purchase, construction renovation or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. The definition of "business purpose" excludes activities that relate to acquiring or holding passive investments such as commercial real estate ownership or the purchase of securities as well as lobbying activities as defined in Section 3(7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended.

The proceeds of the Loan will not be used:

- (a) to repay delinquent Federal or State income taxes unless the Borrower has a payment plan in place with the relevant taxing authority;
- (b) to repay taxes held in trust or escrow, e.g. payroll or sales taxes;
- (c) to reimburse funds owed to any owner, including any equity injection or injection of capital for the business' continuance; or
- (d) to purchase any portion of the ownership interest of any owner of the business.

The Borrower is not:

- (a) an executive officer, director, or principal shareholder of the Lender;
- (b) a member of the immediate family of an executive officer, director, or principal shareholder of the Lender; or
- (c) a related interest of any such executive officer, director, principal shareholder, or member of the immediate family.

The Borrower is not:

- (a) a business engaged in speculative activities that develop profits from fluctuations in price rather than through normal course of trade, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business;
- (b) a business that earns more than half of its annual net revenue from lending activities;
- (c) a business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants;
- (d) a business engaged in activities that are prohibited by federal law or applicable law in the

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jurisdiction where the business is located or conducted. (Included in these activities is the production, servicing, or distribution of otherwise legal products that are to be used in connection with an illegal activity, such as selling drug paraphernalia or operating a motel that knowingly permits illegal prostitution); or

- (e) a business engaged in gambling enterprises, unless the business earns less than 33% of its annual net revenue from lottery sales.

None of the principals of the Borrower (listed above) has been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).

Authorization

This signature serves as initial representation that the requested Loan will meet all requirements of the Wyoming Smart Capital Network Collateral Support Program.

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) on this application and acknowledge my/our understanding that any intentional or negligent misrepresentation(s) of the information contained in this application may result in civil liability for monetary damages to the Lender, its agents, successors and assigns and any other person who may suffer any loss due to reliance upon any misrepresentation which I/we have made on this application. I/we agree that a credit report may be requested from one or more credit bureaus and used in connection with this application and any future update, renewal or extension of credit relating to this application. I/we agree that you may exchange credit and other information about us with others in connection with our application including without limitation Wyoming Smart Capital Network, LLC, United States Treasury and each "Participating Municipality" participating in the Wyoming State Small Business Credit Initiative. I/we agree to provide the Lender with any information requested by the Lender on the applicant's finances, wages paid, jobs or expenditures of loan proceeds throughout the term of the loan, and that the Lender may provide any such information to Wyoming Smart Capital Network, LLC, United States Treasury and each "Participating Municipality" participating in the Wyoming State Small Business Credit Initiative.

Signature of Authorized Officer: _____

Name: _____ Title: _____

Date: _____

Signature of Authorized Officer: _____

Name: _____ Title: _____

Date: _____

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DEFINITION OF TERMS AND EXAMPLES

Minority or Women Owned Business

A “Minority or Women Owned Business Enterprise” means a Wyoming Business Enterprise **more than fifty percent (50%)** of which is owned by women and/or persons who are members of a minority group. For purposes of this definition, minority group members are African/Black Americans, Hispanic-Americans, Asian-Americans, American Indians/Native Americans, American Eskimos and American Aleuts.

Estimated number of Jobs to be Retained or Created with this Loan

Some thoughts to consider when estimating the number of “Jobs Created” or “Jobs Retained” with this loan:

Job Creation: If a business is obtaining a loan to construct a new building, which will ultimately allow the business to grow and expand, what are the **estimated jobs that the business plans on creating** to support this growth and expansion?

An example: A manufacturing company that is currently operating out of a 25,000 SF facility is looking to build a new manufacturing plant. In the current facility, the company cannot take on any additional orders as it is operating at capacity in the current space. The company secures financing with a participating Lending Institution that requires a Collateral Deposit Account from the Wyoming Smart Capital Network through the CSP program to construct a new manufacturing building 50,000 SF in size. This will allow the company to increase its output by an additional 35% – 40% over the next couple of years. The estimated jobs that will be created by this loan are those jobs that will be necessary to support the increased production once the business moves into the new facility.

Job Retention: If the loan under consideration is going to ultimately result in jobs being retained by the business, what is the actual number of jobs expected to be retained because of the loan being granted? This will not necessarily be all of the jobs employed by the business.

An example: A medical practice is securing a loan to allow them to move from a leased space into a building they are purchasing. If the medical practice was unable to secure the loan to purchase the building and the landlord was unwilling to renew their lease, it may force the practice to merge with another practice or consolidate with a local or regional hospital. In this scenario, the jobs “at risk” could be the employees providing administrative support or nursing services that may not be needed if the medical practice was forced to merge with another business (jobs where there would be an overlap or duplication of services). Therefore, the jobs that would be retained because of the loan being granted to purchase a medical office building may be those providing administrative support and nursing services for the medical practice.

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The **estimated number of jobs retained** will **rarely** be the total number of FTE employed by a small business. The retention of a company's entire FTE will only be in circumstances where the business would end up closing their doors entirely if it weren't for the loan being granted by the Lending Institution with the Collateral Deposit Account offered through the CSP program.

Amount of additional private financing that is caused by or resulting from the Loan on which the Collateral Deposit Account is established

Some examples of "Additional Private Financing" occurring because of the loan granted with the assistance of the CSP Collateral Deposit Account:

- As part of a financing package, the Lending Institution is considering granting a revolving line of credit of \$250,000 and a term equipment loan of \$150,000. The CSP support (Collateral Deposit Account) is required in order to grant the term equipment loan. If the Lending Institution is considering granting both loans, with one contingent upon the approval of the other, and the CSP support is necessary in order to grant the term equipment loan, then the additional financing that occurred because of the CSP program in this example would be the amount of the revolving line of credit--\$250,000.
- As part of a 504 loan package, the Lending Institution is considering granting a revolving line of credit in the amount of \$150,000 in conjunction with the project interim construction financing of \$900,000. In underwriting the revolving line of credit (which will be secured by A/Rs and inventory), the Lending Institution ascertains that additional collateral is necessary in the form of a Collateral Deposit Account through the CSP program in order to grant the loan. Furthermore, in order for the Lending Institution to provide the 504 financing, it is requiring the business to take out the revolving line of credit to be available to assist the business with short term working capital (due to the business's deterioration in liquidity from the \$100,000 cash injection required for the 504 project). In this example, the additional financing that occurred because of the CSP program is the interim financing on the 504 project--\$900,000.
- A Wyoming small business has submitted a financing package for the construction of a new building along with a request for a loan to purchase equipment necessary for the business to operate once the new building is completed and ready for occupancy. The construction and long term financing for the real estate is being underwritten as conventional real estate financing in the amount of \$1,500,000. Due to the substantial amount of equity/cash required for the conventional real estate financing, the company is only able to inject 10% into the purchase of the equipment. The Lending Institution has submitted a CSP application requesting 15%, \$67,500, of the equipment loan in a Collateral Deposit Account as additional collateral support. In this example, since the equipment loan is necessary for the small business to operate once it moves into the new facility, and both loans are necessary for the feasibility of the project, the additional private financing that occurred because of the assistance of the CSP program is the amount of the conventional real estate loan--\$1,500,000.

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Principals of Borrower

For purposes of this Application, “Principal” means: (i) if the Borrower is a sole proprietorship, the proprietor; (ii) if the Borrower is a partnership, each managing partner and each partner who is a natural person and holds a 20% or more ownership interest in the partnership; and (iii) if the Borrower is a corporation, limited liability company, association or a development company, each director of the Borrower, each of the five most highly compensated executives or officers of the Borrower, and each natural person who is a direct or indirect holder of 20% or more of the ownership stock or stock equivalent of the Borrower.