



## Murdo Development Corp. Revolving Loan Fund Policy

The Murdo Development Corp.-RLF will assist projects that contribute to economic development in Jones County with a special emphasis on development in the Murdo area and within the boundaries of the Jones County School District. RLF loans can be used for business start-ups, acquisition, retention, and expansion. RLF funds may be used for workforce housing development if the terms of certain grants allow it. Community and nonprofit loans that enhance quality of life may also receive MDC-RLF consideration.

The MDC-RLF will not discriminate against any race, creed, color, national origin, gender, or sex.

### **Maximum / Minimum RLF Loan Request:**

MDC has no minimum loan amount request, and no loan request will exceed \$250,000. The goal of the RLF is not to finance more than 50% of the total project cost. However, MDC board may elect to finance a higher percentage. In the case of a higher percentage, the board should consider further mitigating factors to address potential additional risk. Consideration will be given for the number of jobs created and/or retained.

### **RLF Loan Terms:**

MDC-RLF loan terms will match the useful life of the assets or repayment. The general goals of the RLF would be for working capital loans to be five (5) years or less; equipment loans to be seven (7) years or less; and real estate loans fifteen (15) years or less. The board may make exceptions to these guidelines if the community benefit of the loan justifies the risk of the longer term.

Interest rates on individual loans will be approved by the MDC board. Loans can be amortized with quarterly, monthly, semiannual, annual, or due at maturity payments. Balloon payments may also be considered. Interest collection can either be used to enhance the RLF balance or fund MDC administration, depending on the terms of certain grants.

### **RLF Collateral:**

MDC-RLF loans may be secured or unsecured. Secured loans can be on a first, shared, or junior lien position. RLF borrowers will be responsible for all costs of securing the collateral unless otherwise approved by the MDC board. If the property is secured, the RLF borrower will

provide MDC proof of insurance and list MDC as loss payee. MDC will have the option of force placing insurance on collateral if the RLF borrower fails to keep coverage in place. Any force placed insurance will be added to the principal balance of the RLF borrower and may affect the amortization or final balance at maturity. Personal loan guarantees will be considered on all RLF loans that have 10% or more ownership interest. Loan guarantees or assignment of life insurance may also be considered.

#### **RLF Loan Approval:**

A MDC-RLF committee consisting of at least three board members appointed by the MDC board will perform due diligence on all RLF loan requests and will make a recommendation to the MDC board for final decision. The Executive Committee (President, Vice President, and Secretary/Treasurer) of the MDC will serve in the absence of a MDC-RLF committee. All RLF applicants will be notified with the approval terms and conditions or reason(s) for denial. Applicants will be notified within 30 days. Any conflicts of interest will be noted in the MDC board minutes of the approval.

#### **RLF Loan Closing:**

MDC will utilize the services and loan documents provided by a bank of the MDC-RLF committee's choosing to assure that all RLF loans are properly documented and secured prior to closing. Any future extensions or RLF loan modifications will also utilize the selected bank to assure the loan is properly documented. All MDC-RLF loan files will be held at the office of the Secretary/Treasurer in their secured filing cabinet and will only be accessed with approval by the MDC board Executive Committee.

#### **RLF Loan Collection Process:**

The processing of RLF loan payments will be made at First Fidelity Bank. Borrowers are provided with multiple payment options to facilitate convenience and timely repayments. These options may include online banking, automatic transfers, and in-person payments at First Fidelity Bank.

#### **Future RLF Lending Policy Changes:**

Any future MDC-RLF lending policy changes will be made with a simple majority vote of the members of the MDC board.

Adopted by Murdo Development Corp board resolution.

Dated: May 5, 2023

Edited: February 29, 2024



## 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. If there is not enough room, attach additional sheets.

Financial data and supplemental information as noted on the Applicant Checklist is required prior to loan review.

**Applicant Name:** \_\_\_\_\_

**Business Name:** \_\_\_\_\_

**Business Street; Mailing Address:** \_\_\_\_\_

\_\_\_\_\_

**Cell Phone:** \_\_\_\_\_

**Email address:** \_\_\_\_\_

**Project Classification:** Infrastructure \_\_\_\_\_ Community \_\_\_\_\_ Retail \_\_\_\_\_ Manufacturing \_\_\_\_\_  
Home Based Business \_\_\_\_\_ Back Office \_\_\_\_\_ Wholesale Distributor \_\_\_\_\_

**Other:** \_\_\_\_\_

**Date Business Established:** \_\_\_\_\_

**Employer's Identification Number:** \_\_\_\_\_

**Amount Requested:** \_\_\_\_\_

**Purpose:** \_\_\_\_\_

**Collateral Offered:** \_\_\_\_\_

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

## SOURCES AND USES OF FUNDS

### Proposed Sources of Funds

Amount applied for from Bank \_\_\_\_\_

Amount applied for from other funds \_\_\_\_\_

Owner's Equity (existing equity) \_\_\_\_\_

**TOTAL SOURCE OF FUNDS** \_\_\_\_\_

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

Land \_\_\_\_\_

Land Improvement \_\_\_\_\_

Building or Remodeling \_\_\_\_\_

New Construction \_\_\_\_\_

Machinery and Equipment (attach list and cost) \_\_\_\_\_

Furniture and Fixtures (attach list and cost) \_\_\_\_\_

Working Capital \_\_\_\_\_

Inventory \_\_\_\_\_

Other \_\_\_\_\_

**TOTAL USES OF FUNDS** \_\_\_\_\_

## Job Creation-Retention Information

|                                             | Full-Time | Part-Time |
|---------------------------------------------|-----------|-----------|
| Present Number of Employees                 | _____     | _____     |
| Total number of jobs to be created or saved | _____     | _____     |
| Anticipated wage range                      | _____     | _____     |

**PARTICIPATING, SERVICING OR SPONSORING LENDER:** (if more than one, continue on back).

Lender Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Business Account Number: \_\_\_\_\_

Amount of Loan requested for this project: \_\_\_\_\_

Contact Person:

\_\_\_\_\_

Participating Lender 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 fund participates with financial institutions and other lenders to maximize the available capital for development projects. The 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.

**COMMUNITY IMPACT:** (Explain the benefits to the community/area and the effects on the local, state or tourism tax base. If there is a tax abatement or TIF, please explain.)

## **Information for Government Monitoring Purposes**

The following information is requested by the Federal Government for certain types of loans in order to monitor the Lender's compliance with equal credit opportunity. You are not required to furnish this information but are encouraged to do so. The law provides that a Lender may neither discriminate based on this information, nor on whether you choose to furnish it. However, if you choose not to furnish it, under Federal regulations this Lender is required to note race and sex based on visual observation or surname. If you do not wish to furnish the above information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the Lender is subject under applicable state law for the loan applied for.)

### **Applicant #1**

☐ I do not wish to furnish this information

### **Race/National Origin**

(select one or more)

☐ American Indian or Alaska Native

(not Alaskan)

☐ Black or African American

☐ Asian

☐ Hispanic or Latino

☐ Native Hawaiian or Pacific Islander

☐ White

☐ Other (specify) \_\_\_\_\_

### **Sex:**

☐ Male ☐ Female

### **Applicant #2**

☐ I do not wish to furnish this information

### **Race/National Origin**

(select one or more)

☐ American Indian or Alaska Native

(not Alaskan)

☐ Black or African American

☐ Asian

☐ Hispanic or Latino

☐ Native Hawaiian or Pacific Islander

☐ White

☐ Other (specify) \_\_\_\_\_

### **Sex:**

☐ Male ☐ Female

## **CONFIDENTIAL CREDIT AND PERSONAL BACKGROUND REPORT**

The Murdo Development Corp Revolving Loan Fund may obtain at its own expense a credit report and personal background check on the applicant(s). The Murdo Development Corp Revolving Loan Fund will comply with all provisions of the Fair Credit Reporting Act (15 USC 1681 et seq.). The Murdo Development Corp Revolving Loan 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 Murdo Development Corp Revolving Loan Fund.

### **CERTIFICATION**

I/We hereby certify that the information contained on this application and the attachments are correct and complete to the best of my/our knowledge and there is no intent to deceive or defraud the Fund or any potential participant in any loans to finance the project.

I/We hereby certify that I/we have read, understand and agree to the terms and conditions of the Murdo Development Corp Revolving Loan Fund.

I/We grant the Murdo Development Corp Revolving Loan Fund the authorization to make all inquiries including, but not limited to, credit deemed necessary to verify the accuracy of the statements made herein with this application.

NAME OF APPLICANT COMPANY: \_\_\_\_\_

NAME OF AUTHORIZED OFFICIAL: \_\_\_\_\_

TITLE OF AUTHORIZED OFFICIAL: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

## **Murdo Development Corp**

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities based on race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director of Civil Rights, 1400 Independence Avenue, S.W. Washington, D.C. 20250-9410, or call (800) 795-3272 (voice), or (202) 720-6382 (TDD). "USDA is an equal opportunity provider, employer, and lender".