

# **Old Takoma Business Association Revolving Loan Fund Program Guidelines**

The Old Takoma Business Association has established a Revolving Loan Fund for business owners and commercial property owners in the Old Takoma area. The purpose of the Revolving Loan Program is to provide loans with less paperwork than commercial loans and equal or less interest than commercial loans, and to encourage environmentally sustainable improvements that specifically enhance the Old Takoma area.

## **Eligible Applicants:**

Businesses owners and commercial property owners operating in the Old Takoma Business Association area in Maryland and DC are eligible.

## **Selection Criteria**

### **Priority goes to:**

- Projects that improve the appeal of the business district to shoppers
- Projects that support or recruit businesses that add to the community
- Projects that align with OTBA's core values of community and progressiveness
- Applicants who are active participants in the business community and support other local businesses
- Applicants with demonstrable financial stability
- Applicants with clear and thorough financial records
- Applicants with adequate collateral to cover the loan

## **Loan Terms**

The terms of the loans will be determined on a case-by-case basis and may include: duration and amounts, interest rate, application and/or origination fee, closing costs, default and delinquency terms. These are meant as general guidelines. The merit of each application will be considered individually.

## **Application**

Interested businesses are asked to fill out the preliminary application (attached) and then meet with a member of the Revolving Loan Committee to discuss the full application.

**Old Takoma Business Association  
Revolving Loan Fund  
Preliminary Application**

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

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

Legal Name of Benefiting Business(s): \_\_\_\_\_

Purpose of Loan: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Estimated Cost of Proposed Project: \$ \_\_\_\_\_  
(please attach cost estimate if available)

Project Start Date or Date Funds Required: \_\_\_\_\_

\_\_\_\_\_  
Business Owner – Signature

\_\_\_\_\_  
Date

Contact Mailing Address: \_\_\_\_\_

\_\_\_\_\_

Contact Phone #: \_\_\_\_\_

Email: \_\_\_\_\_

# **Old Takoma Business Association Revolving Loan Fund Application**

The Old Takoma Business Association has established a Revolving Loan Fund for business owners and commercial property owners in the Old Takoma area. Owners in both the Maryland and DC areas of Old Takoma are eligible to borrow money from the fund at an attractive interest rate.

## **Information Required for Loan Processing:**

- Balance Sheets (3 years)
- Profit and Loss Statement (3 years)
- Projected Cash Flow (by month for 12 months)
- Projected Employment  
(total persons expected to employ during the term of the loan)
- Personal Financial Statement of the Applicant
- Verification of Proper Insurance Coverage
- Credit Check
- Verification of Property Tax Paid
- Tax Returns

Additional documents may be required by the loan committee. If the applicant has no previous financial statements, the loan screening will be based on cash flow projections.

## **The Closing Process:**

Upon approval of the loan, the Old Takoma Business Association will coordinate the closing process. At the time of closing, the applicant may be asked to sign the following:

- Promissory Note
- Installment Payment Agreement
- Pledge of Security

## **Time Frame:**

An applicant for a loan will get a confirmation of receipt of the loan application within one week, with a possible request for more information. A final decision should be made within six to eight weeks of submission.

**Old Takoma Business Association  
Revolving Loan Fund  
Application**

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

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

Legal Name of Benefiting Business(s): \_\_\_\_\_

Purpose of Loan: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(can attach preliminary application description)

Loan Amount Requested: \$ \_\_\_\_\_

(please attach cost estimate if available)

Date Funds Needed: \_\_\_\_\_

\_\_\_\_\_

Business Owner Signature

Date

Contact Mailing Address: \_\_\_\_\_

\_\_\_\_\_

Contact Phone #: \_\_\_\_\_ Email: \_\_\_\_\_

If this loan will be used for proposed property improvements, the signature of the property owner is required.

\_\_\_\_\_

Property Owner

Date