

**Everett Development Financial Corporation (EDFC)  
Microenterprise/Small Business Loan Program**

**APPLICATION FORM**

**General Information**

Name(s) of Applicant(s): \_\_\_\_\_

Name of Business: \_\_\_\_\_

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

Mailing address (if different from above): \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

If the business is a tenant under lease, please complete the following:

Building owner's name: \_\_\_\_\_ Phone: \_\_\_\_\_

Building owner's address: \_\_\_\_\_

Year lease expires: \_\_\_\_\_ Other information regarding tenancy: \_\_\_\_\_

Type of Business: \_\_\_\_\_

Federal Tax I.D. Number: \_\_\_\_\_

Date Established: \_\_\_\_\_ Annual Sales: \_\_\_\_\_

Number of Employees: \_\_\_\_\_ Total \_\_\_\_\_ Full-time \_\_\_\_\_ Part-time

Form of business (Check all that apply):

- Sole proprietorship     Partnership     Other \_\_\_\_\_  
 Corporation     Non-profit

Briefly describe the history of the company (including management, products, market, and results). You may attach supporting materials (such as brochures, reviews, etc.).

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

If this is start-up firm, briefly describe your plans and expectations.

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

**Projected Impact of Loan**

Will you go out of business (or, if a new business, be unable to start up) if you don't receive this financing? Please explain.

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Other anticipated impacts as a result of this loan (e.g., increased sales, public benefits):

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Will you provide job training to new workers? Explain.

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Job creation is a major goal of the EDFC Small Business/Microenterprise Loan Program. At least 51 percent of the jobs created or retained as a result of this loan must be held by persons from low- and moderate-income households. The definition of low- to moderate-income is outlined below.

# in family	Low- to Moderate-Income Guidelines							
	1	2	3	4	5	6	7	8
Total family income	\$29,100	\$33,300	\$37,450	\$41,600	\$44,950	\$48,250	\$51,600	\$54,900

Please complete the chart below:

Job Category	Current Jobs				Projected Jobs*			
	# FT	Wages	# PT	Wages	# FT	Wages	# PT	Wages
Management								
Engineering/Tech								
Secretarial/Clerical								
Production								
Service								
Other (specify)								
Total Jobs								
Total Low-Mod								
Total Women								
Total Minority								

Key : FT = Full-Time PT = Part-Time Low-Mod = From Low- to Moderate-Income Household \*Over a two-year period

## Documentation

*All businesses* must submit the following:

- ☛ A copy of a **personal tax return** for the most recent year for each owner. Each owner must also fill out and sign a **Form 4506 Request for Transcript of Tax Form** (attached). State regulations require the official transcript, which takes approximately four to six weeks to receive. In order to expedite the process, the loan committee will use the unofficial copy supplied by owner(s) to make its decision. However, no loans will be closed until official transcripts are received. If information on copies supplied by applicants differs from official copies, loan will automatically be rejected.
- ☛ A **personal financial statement** for each owner. The attached form or any form from a bank or lender that includes the same information may be used.
- ☛ **Cash flow projections** for five years (both with and without Small Business/Microenterprise loan assistance).
- ☛ A **business plan**.

*Existing businesses* must submit the following:

- ☛ **Business financial statements** for the past three years and for the most recently completed quarter. These statements should indicate all assets and liabilities of the business and some documentation of cash flow.
- ☛ A copy of the **business's tax return** for the past year.

*Start-up businesses* must submit the following:

- ☛ Letter(s) of reference testifying to applicant's ability to run this business.
- ☛ Financial projections for three years.

If your firm does not have a business plan or any financial documentation requested, please contact the Everett Development Finance Corporation at the Everett Chamber of Commerce for assistance.

Applications may be neatly handwritten, typed directly on the form or submitted on separate pages from applicant's computer.

**Everett Development Financial Corporation (EDFC)  
Microenterprise/Small Business Loan Program**

**APPLICANT'S STATEMENT:**

The undersigned applies to the Everett Development Financial Corporation (EDFC) for the loan indicated in this application and represents that the loan will be used solely for the business in question for the purpose set forth in this application. All statements made in this application or in all attached materials are made for the purpose of obtaining this loan. Verification may be obtained from any source named in this application or in the attached materials. The original copy of this application and attachments will be retained, even if the loan is not granted. The applicant certifies that the above information is true and correct to the best of his/her knowledge and belief. Applicant understands that any false statement is cause for immediate termination of the EDFC loan. Applicant agrees that confidential credit information obtained by the applicant's bank can be shared with us. Applicant acknowledges that the purpose of this program is to create economic development and jobs, at least 51 percent of which will be for persons from low- and moderate-income households and that priority must be given to low- and moderate-income persons in filling vacancies. Applicant agrees to maintain records to document his/her efforts to meet this requirement.

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Applicant's signature

Date

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Applicant's signature

Date

ALL INFORMATION SUBMITTED BY APPLICANTS AND OBTAINED FOR VERIFICATION WILL BE CONFIDENTIAL AND USED SOLELY FOR PROCESSING LOAN APPLICATIONS.

*Funded through a grant from the Massachusetts Small Cities Program  
of the Executive Offices of Communities and Development*

**Everett Development Financial Corporation (EDFC)  
Microenterprise/Small Business Loan Program**

**EASY STEPS TO HELP YOU PREPARE A BUSINESS  
PLAN**

Whether you are starting a new business or expanding your existing small business, you must do a great deal of planning, research, and preparation to maximize your chances at success. Following are some things you should be thinking about, as well as an easy guide to preparing a business plan.

**NINE STEPS TO HELP YOU PREPARE A BUSINESS PLAN**

1. Describe the type of business you want to start (or the type of business you operate).
  - a. Get as much information on your proposed business as possible - from talking to those already in business, from the library, trade associations and trade publications, local and federal bureaus.
  - b. Study your competition carefully; they have experienced what you are about to discover.
  - c. In addition to experienced personal help, rely on a competent lawyer, an accountant, a promotions person, an insurance expert, and a banker.
  - d. Include a simple analysis of your competitor's strengths and weaknesses, and how your business will respond to your customer's needs. How will your operation be better than theirs?
2. Identify the location of your business, the features of your building, and whether the space is owned or will be leased.
  - a. If you are opening a retail operation, remember that location is very important.
  - b. If renovations are needed, what are they, and what is the expected cost?
  - c. What other kinds of businesses are in the area, and why is this one the desirable site for your business?
3. Provide a description of the product(s) and/or service(s) you (intend to) provide your customers.
  - a. Knowing what and where to buy, when to buy, and how to gauge inventory, can make or break you - allowing you to conserve working capital, meet and beat competition.
  - b. Provide a list of any equipment that will be necessary to operate your business.
4. Describe who your market is (who are your customers?) and how you are going to reach prospective customers.
  - a. If you cannot come to your customer, you must devise ways for the customer to come to you. Therefore, either a prime location or a lot of advertising is very important.
  - b. What is the present size of the market, what is the growth potential, and what percent of the market will you have?
  - c. How will you attract your market?
5. Present your marketing plan. Explain how you intend to create the sales volume and profits (this is important when borrowing money so that you can show that you will have the ability to pay back the loan).
  - a. Think about what kind of public image you want to create with your service, merchandise, quality, decor, packaging, personnel, vehicles, adds, pricing.
  - b. Clearly disclose any special risks or problems associated with management, the company itself, products, or any item that could adversely affect the company's future.

**Ownership**

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Social Security Number: \_\_\_\_\_ Birthdate: \_\_\_\_\_  
Percentage of ownership: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Social Security Number: \_\_\_\_\_ Birthdate: \_\_\_\_\_  
Percentage of ownership: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Social Security Number: \_\_\_\_\_ Birthdate: \_\_\_\_\_  
Percentage of ownership: \_\_\_\_\_

☛ Please submit resumés for all owners.

**Loan Request**

The **maximum** amount of a City loan is generally \$<sup>35,000</sup>25,000 for a private, for-profit business, or \$5,000 for a Microenterprise.

Total project cost \$ \_\_\_\_\_  
Amount of loan requested from City \$ \_\_\_\_\_  
Owner equity investment \$ \_\_\_\_\_  
Private financing (if required) \$ \_\_\_\_\_

Please provide any information below on the purpose of this loan. Attach additional sheets with itemized cost estimates, equipment appraisals, architectural plans, and other materials in support of this application.

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

☛ Please describe the status of discussions with possible sources of private financing.

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

**Collateral**

What will you use to collateralize this loan? (Please attach appraisals, tax assessments or invoices.)

TYPE	BOOK VALUE	PRIOR LIEN HOLDERS	AMT. OF LIEN
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____

**References**

Depository Bank: \_\_\_\_\_

Type of Account: \_\_\_\_\_ Average Balance: \$ \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Major Supplier: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone Number: \_\_\_\_\_

**References**

Depository Bank: \_\_\_\_\_

Type of Account: \_\_\_\_\_ Average Balance: \$ \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Major Supplier: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone Number: \_\_\_\_\_

**Banking Information**

Financial institution(s) where business accounts are held:

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

Banker: \_\_\_\_\_ Title: \_\_\_\_\_ Phone: \_\_\_\_\_

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

Banker: \_\_\_\_\_ Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Bank debt(s):  
Name: \_\_\_\_\_ Amount(s) committed \$ \_\_\_\_\_  
\$ \_\_\_\_\_

Other debt:  
Sources \_\_\_\_\_ Amount (s) committed \$ \_\_\_\_\_



# PERSONAL FINANCIAL STATEMENT

U. S. SMALL BUSINESS ADMINISTRATION

As of \_\_\_\_\_, 19\_\_\_\_

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock and each corporate officer and director, or (4) any other person or entity providing a guaranty on the loan.

Name \_\_\_\_\_ Business Phone ( ) \_\_\_\_\_

Residence Address \_\_\_\_\_ Residence Phone ( ) \_\_\_\_\_

City, State, & Zip Code \_\_\_\_\_

Business Name of Applicant/Borrower \_\_\_\_\_

ASSETS		LIABILITIES	
	(Omit Cents)		(Omit Cents)
Cash on hands & in Banks	\$ _____	Accounts Payable	\$ _____
Savings Accounts	\$ _____	Notes Payable to Banks and Others	\$ _____
IRA or Other Retirement Account	\$ _____	(Describe in Section 2)	
Accounts & Notes Receivable	\$ _____	Installment Account (Auto)	\$ _____
Life Insurance—Cash Surrender Value Only	\$ _____	Mo. Payments \$ _____	
(Complete Section 8)		Installment Account (other)	\$ _____
Stocks and Bonds	\$ _____	Mo. Payments \$ _____	
(Describe in Section 3)		Loan on Life Insurance	\$ _____
Real Estate	\$ _____	Mortgages on Real Estate	\$ _____
(Describe in Section 4)		(Describe in Section 4)	
Automobile—Present Value	\$ _____	Unpaid Taxes	\$ _____
Other Personal Property	\$ _____	(Describe in Section 6)	
(Describe in Section 5)		Other Liabilities	\$ _____
Other Assets	\$ _____	(Describe in Section 7)	
(Describe in Section 5)		Total Liabilities	\$ _____
Total	\$ _____	Net Worth	\$ _____
		Total	\$ _____

Section 1. Source of Income		Contingent Liabilities	
Salary	\$ _____	As Endorser or Co-Maker	\$ _____
Net Investment Income	\$ _____	Legal Claims & Judgments	\$ _____
Real Estate Income	\$ _____	Provision for Federal Income Tax	\$ _____
Other Income (Describe below)*	\$ _____	Other Special Debt	\$ _____

Description of Other Income in Section 1.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2. Notes Payable to Bank and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

**Projected Impact of Loan**

Will you go out of business (or, if a new business, be unable to start up) if you don't receive this financing? Please explain.

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Other anticipated impacts as a result of this loan (e.g., increased sales, public benefits):

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Will you provide job training to new workers? Explain.

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Other (specify)								
Total Jobs								
Total Low-Mod								
Total Women								
Total Minority								

Key: FT = Full-Time PT = Part-Time Low-Mod = From Low- to Moderate-Income Household \*Over a two-year period

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Date

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6. Describe your business experience and management capabilities.
  - a. Prepare a complete resume, showing all your work experience
  - b. Why are you going to be successful at this venture?
7. Prepare an estimate on how much money (equity) you can put (or have to put) into the business and how much you will need to borrow. You must have a reasonable investment in the business (generally, you need 20% of the required funds from your own personal resources).
  - a. Accept the fact that it always takes more money than you anticipated; have enough working capital on hand and back-up resources in case the new business does not catch on as fast as you anticipated.
8. Prepare a current personal financial statement listing all of your assets and liabilities.
9. Prepare an estimated monthly cash flow projection of projected revenues and expenses (including loan repayment, if applicable), for the first year, along with an annual cash flow projection for your second and third years of operation to show ability to pay fixed obligations (and repay a business loan).
  - a. The more you know about your business, the more accurately you can make projections of sales and potential profits for the first year, but preferably for the first three years.
  - b. Complete and accurate records are needed for tax purposes, but also for your bank, and most important for your own guidance.
  - c. Profit is the bottom line for which you are planning to go into business. Make sure that all expenses are accounted for, including your own living costs, possible losses, "shrinkage," unseen costs such as fringe benefits and taxes.
  - d. Add a legitimate profit for your risk - and if profit does not come out right, perhaps you should rethink the idea of going into business.

#### TEN QUESTIONS TO ASK YOURSELF BEFORE GOING INTO BUSINESS:

1. Is my product or service different from others already in my market area?
2. Do I have the right kind of business experience?
3. Can I prepare a detailed, credible business plan for the next three years?
4. Am I able to take responsibility?
5. Am I a good organizer (for myself and others)?
6. Am I ready to put in the hours that might be necessary to succeed?
7. Am I ready to stick it out even during the rough times?
8. Do I have the support of my immediate family?
9. Do I have adequate financial resources and credit to cover my costs for at least one year?
10. Is my health up to the task ahead?