



# Low Interest Loan Pool

## For More Information

Contact:

**Ray Reich - Downtown Development Manager**

**City of Florence**

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# **DOWNTOWN FLORENCE REVITALIZATION LOAN PROGRAM**

The City of Florence and participating area financial institutions have established a Low Interest Loan Program to encourage development, re-development and general improvement to commercial and residential properties in the Florence H1 downtown business district. **The loan proceeds cannot be used for operating capital. The program is for property acquisition and/or renovation.**

Any commercial or residential project in the eligible area qualifies under the program. The main objective of the program is to provide a strong financial incentive for the rehabilitation of the exterior and interior of building structures in downtown Florence and to help stimulate more business openings in the Downtown area.. Another goal is to insure that the proposed rehabilitation work is of a quality design and is sensitive to the architectural and historical qualities that make our downtown buildings distinctive.

## **THE PROCEDURE**

1. Applicant contacts the Downtown Development Manager with proposed plans. The applicant will be asked to complete a preliminary application and submit it with a business plan and two years of tax returns. The maximum loan through this program is \$250,000.00.
2. If the preliminary application is approved, the applicant will determine which participating bank they prefer to utilize as the lead lender. The applicant then provides all information and documentation that the bank determines necessary to make the credit decision. All approvals and commitments will be made based on the internal guidelines of each participating lender.
3. The bank group and the City of Florence, will assist in the underwriting and closing of all of the loans. After closing, all servicing and collection of payments will be administered by each of the respective lenders for each of the loans

## **3. LOAN STRUCTURE**

Up to Ninety percent (90%) of the project's costs or appraised value, whichever is less, will come from the loan pool. On each loan that is submitted for approval forty percent (40%), not exceeding \$100,000 will be provided from the pooled funds via the Florence Downtown Development Corporation (FDDC). The FDDC funds shall be at a fixed two percent interest rate with a fifteen (15) year amortization. The participating bank provides 40% of the loan funding at one percent (1%) under prime with a floor of four percent (4%).

## **BANK LOAN GUIDELINES**

Each loan will be analyzed on its own merits to determine the credit worthiness of the applicants and the feasibility of the proposed project being successful. The bank pool will require a first mortgage on the property as primary collateral and will require the personal guaranties of the principals. Other collateral will be established on a case-by-case basis. The City of Florence will require a second mortgage with the same guaranties as outlined above.

The loan amount eligible for the program cannot exceed \$250,000 per project/location. Banks may make exceptions to this maximum at their discretion with the additional funding coming solely from the bank.

The Downtown Florence Revitalization Loan Program is aimed at fostering private reinvestment in the Downtown Business District. Persons interested in learning more about the program or in obtaining financing information should contact:

**Ray Reich**  
**Downtown Development Manager**  
**218 West Evans Street - Florence, SC 29151**  
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**DOWNTOWN FLORENCE**  
**Loan Pool**  
**Preliminary Application**

Applicant Name \_\_\_\_\_

Applicant is:    S Corporation    C Corporation    Non-Profit Entity    Partnership  
 LLC    Sole Proprietor    Other \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Home Phone \_\_\_\_\_ Alternate Contact Number \_\_\_\_\_

Current Employer \_\_\_\_\_

Position Held \_\_\_\_\_ How Long At Present Employer \_\_\_\_\_

Previous Employer \_\_\_\_\_

Position Held \_\_\_\_\_ How Long At Previous Employer \_\_\_\_\_

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*Other parties that will have an ownership interest in the proposed business or property:*

Name \_\_\_\_\_

Current Employer \_\_\_\_\_

Position Held \_\_\_\_\_ How Long At Present Employer \_\_\_\_\_

Name \_\_\_\_\_

Current Employer \_\_\_\_\_

Position Held \_\_\_\_\_ How Long At Present Employer \_\_\_\_\_

Name \_\_\_\_\_

Current Employer \_\_\_\_\_

Position Held \_\_\_\_\_ How Long At Present Employer \_\_\_\_\_

Business Experience of primary owner:

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Attended college? YES NO Graduated? YES NO Degree: \_\_\_\_\_

Business Experience of other partners or proposed manager:

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## **SECTION B**

*If this is a new business, please complete Section B. If it is an existing business, skip to Section C.*

What type of business are you proposing to open? \_\_\_\_\_

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Have you identified a location for your business? \_\_\_\_\_

If yes, what is the address? \_\_\_\_\_

What is your proposed construction/renovation budget? \_\_\_\_\_

How much do you estimate you will need for operating capital? \_\_\_\_\_

What is the source of funding for operating capital? \_\_\_\_\_

How much of the necessary investment indicated above do you have available in the form of cash? \$ \_\_\_\_\_ Is this cash from your personal savings? \_\_\_\_\_

If no, what is the source of the cash you have to invest?

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What is your proposed date for opening your business? \_\_\_\_\_

Do you plan to quit your present job to operate the business? \_\_\_\_\_

If no, who will manage the business? \_\_\_\_\_

Have you prepared a business plan? \_\_\_\_\_

If yes, please attach a copy with this application.

**Note: Your application cannot be processed without a formal Business Plan. The plan must include a “use of funds” that itemizes how the loan proceeds will be used.**



## PERSONAL FINANCIAL STATEMENT

*Complete one of these forms for each person that owns/will own any portion of the business and any person or entity providing a guaranty on the loan.*

<i>Name:</i>		<i>Business Phone:</i>			
<i>Residence Address:</i>		<i>Residence Phone:</i>			
<i>City, State &amp; Zip Code:</i>					
<i>Business Name of Applicant/Borrower:</i>					
<b>ASSETS</b>		<b>LIABILITIES</b>			
<i>(Omit Cents)</i>		<i>(Omit Cents)</i>			
Cash on hand & in Banks.....	\$ _____	Accounts Payable.....	\$ _____		
Savings Accounts.....	\$ _____	Notes Payable to Banks and Others... (Describe in Section 2)	\$ _____		
IRA or Other Retirement Account.....	\$ _____	Installment Account (Auto).....	\$ _____		
Accounts & Notes Receivable.....	\$ _____	Mo. Payments \$			
Life Insurance-Cash Surrender Value Only (Complete Section 8).....	\$ _____	Installment Account (Other).....	\$ _____		
Stocks & Bonds..... (Describe in Section 3)	\$ _____	Mo. Payments \$			
Real Estate..... (Describe in Section 4)	\$ _____	Loan on Life Insurance.....	\$ _____		
Automobile-Present Value.....	\$ _____	Mortgages on Real Estate..... (Describe in Section 4)	\$ _____		
Other Personal Property..... (Describe in Section 5)	\$ _____	Unpaid Taxes.....	\$ _____		
Other Assets..... (Describe in Section 5)	\$ _____	(Describe in Section 6)			
		Other Liabilities.....	\$ _____		
		(Describe in Section 7)			
		Total Liabilities.....	\$ _____		
		Net Worth.....	\$ _____		
<b>Total.....</b>	<b>\$ _____</b>	<b>Total.....</b>	<b>\$ _____</b>		
<b>Section 1. Source of Income</b>			<b>Contingent Liabilities</b>		
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 Banks 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

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**Section 3. Stocks and bonds.** (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

**Section 4. Real Estate Owned.** (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Property			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

**Section 5. Other Personal Property and Other Assets.** (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency)

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**Section 6. Unpaid Taxes.** (Describe in detail, as to type, to whom payable, when due, amount and to what property, if any, a tax lien attaches.)

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**Section 7. Other Liabilities.** (Describe in detail)

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**Section 8. Life Insurance Held.** (Give face amount and cash surrender value of policies – name of insurance company and beneficiaries)

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I authorize Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).

<i>Signature:</i>	<i>Date:</i>	<i>Social Security Number:</i>
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<i>Signature:</i>	<i>Date:</i>	<i>Social Security Number:</i>
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