

Application Requirements – Non Forms

- (1) Environmental review documentation. As required in accordance with 7 CFR part 1970
- (2) Architectural or engineering plans. Used by the Agency to determine if the proposal meets accessibility and other code requirements. And, because the Agency will monitor and inspect construction, used to assure construction progresses according to plans.
- (3) Cost estimates. Used by the Agency to determine if funds will be adequate to cover planned expenses.
- (4) Appraisal reports. Used by the Agency to determine the value of assets offered as collateral. The applicant is typically required to provide appraisals, completed by qualified independent appraisers.
- (5) Projected financial statements for existing businesses. The applicant must provide these to enable the lender and Agency to determine the financial health of the business and the likelihood it will continue to operate successfully. Typically required by lenders for non-guaranteed loans.
- (6) Projected financial information for new businesses. Much of the same information required from existing businesses, with some additional information about start-up costs, etc.
- (7) Credit reports. Used to evaluate the credit history of the business or the owners as an aid in the credit evaluation. The Agency will supply credit reports on the applicant's business but may require the applicant to provide credit reports for individuals when not available through a government contractor.
- (8) Copy of building permits. Used by the Agency to assure that all permits have been obtained.
- (9) Financial statements for personal and corporate guarantors. Used to evaluate the financial strength of the owners to determine if they will be able to inject additional resources into the business if needed and to provide a measure of comfort. Typically required by lenders for non-guaranteed loans.
- (10) Loan Agreement. Not needed from applicant for a direct loan.
- (11) Feasibility study. See requirements reported above.
- (12) Form 10-K, "Annual Report." The Agency requests a copy of this report from publicly traded companies. It is prepared for the Securities and Exchange Commission and aids in the lender and Agency loan analysis. Typically required by lenders for non-guaranteed loans.

Certificate of Need. Obtained by the applicant from the appropriate regulatory authority when a loan request is for a health care facility. Used as evidence that the borrower will be able to collect from third party payors, which has a significant effect on the project feasibility.

Change of Conditions. An applicant is requested to modify the Agency established conditions of loan closing, usually in the form of a letter. Used by the Agency to determine if the Agency will agree to the change.

Borrower Visits. Agency inspection of the business premises and books to determine the condition of loan collateral and the business. Potential problems may be identified before they become critical, thus

helping to keep business failures and Agency losses to a minimum. Form 4279-15, "Business & Industry Visit Review Report (Field Visit Review)," is used to complete the visit. There are approximately 16 B&I direct loan borrowers outstanding and each borrower should be visited at least once a year. This form has been previously cleared under the burden package for RD Instruction 4287-B.

Meetings to Resolve Problems and Delinquencies. Meetings are held with the borrower when needed to resolve problems. They are usually initiated by the Agency and intended to keep business failures and Agency losses to a minimum.