

Loan Application
&
Checklist

Loan Programs Available through EDIC/Lynn

EDA Revolving Loan Program

A partnership between EDIC/Lynn and the U.S. Department of Commerce, Economic Development Administration (EDA). This program serves growing businesses and nonprofits with projects that create or keep jobs in Lynn. More than $25 million in private capital has been leveraged since the program began in the early 1980s.

Loan terms

- $2,500 to $150,000
- Fixed 4% interest rate
- Terms set case by case

Eligibility

- Business must be located in, or moving to, the City of Lynn
- Must be a U.S. citizen or have eligible legal status
- Ability to create or retain jobs (preference given to growing and expanding companies)
- Demonstrate the ability to repay the loan through a business plan or business summary and cash flow projection
- Be a profitable business, or show the ability to become profitable as a new business
- Collateral and personal guarantees required (business assets, real estate; vehicles are not accepted)

Eligible uses

- Machinery and equipment, inventory, working capital
- Leasehold improvements, construction and expansion
- Commercial real estate

Not eligible: buying a business, refinancing debt, equity investments, vehicle purchases.

> **Proof of purchase is required**
>
> EDIC/Lynn must confirm that every loan dollar is used for its approved purpose. Borrowers must provide:
>
> - **Equipment, fixtures, supplies and inventory:** paid receipts or other proof of purchase
> - **Remodeling, renovation and construction:** paid invoices from your contractors, and any required City permits
>
> EDIC/Lynn may pay vendors or contractors directly, release funds in stages as work is completed, and visit the business to confirm the purchase was made or the work was done.

SBA Microloan Program

Funded through the U.S. Small Business Administration (SBA). The program is designed for entrepreneurs, startups and small businesses, including nonprofit childcare centers. Technical assistance is available from EDIC/Lynn staff and partners such as SCORE.

Loan terms

- $2,500 to $50,000
- Fixed 4% interest rate
- Terms up to 6 years

Eligibility

- Business must be located in, or moving to, the City of Lynn
- Preference given to downtown and startup businesses
- Must be a U.S. citizen or have eligible status (proof required)
- Demonstrate the ability to repay the loan
- Have a business plan (new businesses) or business summary (existing businesses)
- Income taxes must be current
- Reasonable credit history
- Ability to provide collateral and a personal guarantee (business assets, real estate; vehicles are not accepted)

Eligible uses

- Equipment and machinery, fixtures, supplies, inventory
- Leasehold improvements
- Working capital

Not eligible: real estate, paying off personal debt, back taxes, vehicle purchases.

*Nonprofit organizations are not eligible for working capital loan funds.

Proof of purchase is required

EDIC/Lynn must confirm that every loan dollar is used for its approved purpose. Borrowers must provide:

- **Equipment, fixtures, supplies and inventory:** paid receipts or other proof of purchase
- **Remodeling, renovation and construction:** paid invoices from your contractors, and any required City permits

EDIC/Lynn may pay vendors or contractors directly, release funds in stages as work is completed, and visit the business to confirm the purchase was made or the work was done.

How to Apply for an EDIC/Lynn Loan: One-Page Guide

1. Meet with a SCORE mentor (free)

- Book a free Zoom session at score.tfaforms.net/111.
- New businesses: get help writing a business plan.
- Existing businesses: get help drafting a business summary.
- All applicants: build a monthly *cash flow projection* with your mentor.

2. Get quotes for what the loan will pay for

- Equipment: online invoices or written estimates.
- Repairs or renovations: official quotes from contractors.
- *All quotes must clearly list costs and the scope of work or items.*

3. Provide your lease

- Your business must be located in Lynn.
- Submit a copy of your lease. Loan terms often match your lease term.
- No lease yet? Search available space at ediclynn.org. *Negotiations are done directly between the business owner and the listing agent.*

4. Drop off your application and documents

- Bring everything in person to Lynn City Hall, Room 407. Applications are not accepted by email.
- Signed application, Use of Funds and Proof of Purchase Agreement, and a Credit Report Consent for each owner
- Business plan or summary, and cash flow projection
- 2 years of personal and (if applicable) business federal tax returns
- Business financial statements (if applicable), lease, quotes, City of Lynn Business Certificate and photo ID

5. After approval: show proof of purchase

- Equipment: provide paid receipts or proof of purchase.
- Remodeling or construction: provide paid invoices from your contractors.
- Funds may be paid directly to vendors or released in stages as work is completed. Keep every receipt.

Questions? Call EDIC/Lynn at 781.581.9399. Drop off at Lynn City Hall, Room 407, 3 City Hall Square.

Free Business Counseling!

With SCORE, Counselors to America's Small Businesses, start-up businesses and other existing businesses can take advantage of the following **FREE** assistance:

- A virtual zoom consultation with a business professional who can answer your questions.
- Help developing a Business plan OR Business Summary (for established businesses)
- Cash flow projections.
- A team of SCORE counselors to provide you with specialized assistance in a wide range of business areas.

To schedule your appointment with a SCORE mentor please visit:

score.tfaforms.net/111

or scan the QR Code below

Economic Development Industrial Corporation of Lynn

Lynn City Hall – Room 407
3 City Hall Square
Lynn, MA 01901
ediclynn.org 781.581.9399

SMALL BUSINESS LOAN APPLICATION

SBA Microloan
$2,500 to $50,000
Fixed 4% · up to 6 years

EDA Revolving Loan
$2,500 to $150,000
Fixed 4% · terms case by case

No application fee. If approved, loans are subject to a 1% commitment fee and closing costs.

Items to submit with your loan application

- [ ] Completed and signed EDIC/Lynn loan application (every owner with 20% or more completes and signs an owner section)
- [ ] Business plan (new businesses) or business summary (existing businesses) (SCORE can help)
- [ ] Cash flow projection, monthly for year one (SCORE can help)
- [ ] Federal personal tax returns, previous 2 years
- [ ] Federal business tax returns, previous 2 years (if applicable)
- [ ] Business financial statements, no older than 6 months (if applicable)
- [ ] Business Certificate from the City of Lynn
- [ ] Copy of lease where the business is located (not needed if you own the building)
- [ ] Quotes or invoices for everything the loan will pay for
- [ ] Resume or qualifications for your business
- [ ] Copy of government-issued photo ID
- [ ] Proof of citizenship or eligible status (SBA Microloans only)
- [ ] Signed Use of Funds and Proof of Purchase Agreement (included in this packet)
- [ ] Signed Consent to Obtain Credit Report (a separate form, one for each owner)

How to submit

Drop off your completed application and all documents **in person** at EDIC/Lynn, Lynn City Hall, Room 407, 3 City Hall Square, Lynn. Applications are not accepted by email, because they include Social Security numbers and other personal information. Questions? Call 781.581.9399.

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SMALL BUSINESS LOAN APPLICATION

Business Information

Business Name: _____

Business Address in Lynn: _____

Your business must be located in, or moving to, the City of Lynn.

Business Phone: _____ Business Email: _____

Primary Contact: _____ Website: _____

Federal Tax ID (EIN): _____ Date Established: _____

Business Structure: ☐ Sole Proprietorship ☐ Partnership ☐ LLC ☐ S Corp ☐ C Corp ☐ Nonprofit

Nature of Business: _____

This business is: ☐ A startup ☐ An existing business

Location is: ☐ Already in Lynn ☐ Moving to Lynn

At this location, I: ☐ Own ☐ Lease

If leasing, lease start date: _____ Lease end date: _____

Technical assistance received (for example SCORE, EforAll) and from whom: _____

How did you hear about EDIC/Lynn? _____

Jobs

Count jobs at this business. Part time means fewer than 35 hours a week.

Current jobs today: Full time _____ Part time _____

Jobs this loan will save: Full time _____ Part time _____

New jobs this loan will create: Full time _____ Part time _____

Your Project and Loan Request

Describe your project. What will this loan pay for, and how will it help your business grow?

Loan amount requested: $ _____ Total project cost: $ _____

Your own contribution: $ _____ Other financing: $ _____

Other financing source (bank, grant, other): _____

Use of Funds

Show how the loan amount will be spent. The total should equal the loan amount requested.

Equipment and machinery: $ _____ Renovation / improvements: $ _____

Inventory and supplies: $ _____ Working capital: $ _____

Real estate purchase*: $ _____ Other (describe below): $ _____

Other is for: _____ TOTAL: $ _____

*Real estate purchases are eligible for EDA Revolving Loans only.

Vendors and Contractors

List who you will buy from or hire, and attach a quote for each. After approval you will need proof of purchase for equipment and paid invoices for remodeling or construction work.

Vendor or contractor name	What you are buying or what work will be done	Amount	Quote attached
			☐
			☐
			☐
			☐
			☐
			☐

Business Financials

Annual sales (last year): $ _____ Net income (or loss): $ _____

Business Debt

List all credit cards, loans and lines of credit in the business's name.

To whom payable	Original amount	Date opened	Balance	Monthly payment	Collateral	Status*

*Status: C = Current, D = Delinquent, DF = Default

Bank Financing

Were you declined by a bank? ☐ Yes ☐ No

If yes, which bank and why? _____

Is a bank providing part of this financing? ☐ Yes ☐ No

Which bank? _____ How much? $ _____

Collateral

All EDIC/Lynn loans require collateral and a personal guarantee. List what you can pledge, such as equipment, business assets or real estate. **Vehicles are not accepted as collateral.**

Item (equipment or business assets; for real estate, the address)	Estimated value	Amount still owed on it	Owned by (business or owner)

Do you own a home or other real estate? ☐ Yes ☐ No

If yes, address: _____

Estimated value: $ _____ Mortgage balance: $ _____

Business Owner Information

Every owner with 20% or more of the business must complete this section and the next page. Additional owners: print and complete an extra copy of these two pages.

Name: _____ Title: _____

Home Address: _____

Cell Phone: _____ Email: _____

% Ownership: _____ Date of Birth: _____ SSN: _____

U.S. Citizen? ☐ Yes ☐ No

If no, eligible status and Alien Registration Number: _____

Voluntary information (optional)

This information is collected for federal reporting only. It has no bearing on any credit decision, and you may choose not to answer.

Gender: ☐ Female ☐ Male ☐ Prefer not to say

Veteran: ☐ Yes ☐ No ☐ Prefer not to say

Ethnicity: ☐ Hispanic or Latino ☐ Not Hispanic or Latino ☐ Prefer not to say

Race: ☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American

☐ Native Hawaiian or Other Pacific Islander ☐ White ☐ Prefer not to say

Race: check all that apply.

Personal Financial Statement

Owner name: _____

List what you own (assets) and what you owe (liabilities). Net worth = total assets minus total liabilities.

Assets (what you own)		**Liabilities** (what you owe)	
Checking accounts	$ _____	Credit cards	$ _____
Savings accounts	$ _____	Auto loans	$ _____
Certificates of deposit	$ _____	Mortgages on real estate	$ _____
Stocks, bonds, mutual funds	$ _____	Other loans / notes payable	$ _____
Retirement (IRA, 401k)	$ _____	Taxes owed	$ _____
Life insurance (cash value)	$ _____	Other debts	$ _____
Real estate (market value)	$ _____		
Vehicles	$ _____		
Other personal property	$ _____		
Other assets	$ _____		
TOTAL ASSETS	$ _____	TOTAL LIABILITIES	$ _____

NET WORTH (total assets minus total liabilities) $ _____

Income

Your annual salary $ _____

Other income (describe and amount): _____

Disclosures

Answer for yourself and the business. A yes answer does not automatically disqualify you; please explain below.

Are you or your business involved in any pending lawsuits?	☐ Yes	☐ No
Do you or the business own or manage any other business?	☐ Yes	☐ No
Are you currently under indictment or facing criminal charges?	☐ Yes	☐ No
Have you been arrested in the past 6 months (other than a motor vehicle violation)?	☐ Yes	☐ No
Have you ever been convicted, pled guilty or no contest, or been on probation or parole?	☐ Yes	☐ No
Are you current on all debts, and on payroll, federal, state and property taxes?	☐ Yes	☐ No
Have you or your business ever declared bankruptcy?	☐ Yes	☐ No

Explain any yes answer above, or a no answer about taxes (include bankruptcy discharge date):

Certification and Consent to Verify

I authorize EDIC/Lynn to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I state that the information in this application is true and accurate to the best of my knowledge as of the date below. I promise that the proceeds of this loan will be used only for the purposes described in this application. I understand EDIC/Lynn will keep this application whether or not it is approved, and I agree to notify EDIC/Lynn of any material change in the information provided. This statement is made under the pains and penalties of perjury.

Owner 1

Print Name: _____ Date: _____

Signature: _____

Owner 2 (if applicable)

Print Name: _____ Date: _____

Signature: _____

Owner 3 (if applicable)

Print Name: _____ Date: _____

Signature: _____

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ediclynn.org 781.581.9399

Use of Funds and Proof of Purchase Agreement

EDIC/Lynn loans are funded through the U.S. Small Business Administration and the U.S. Economic Development Administration. EDIC/Lynn is responsible for making sure every loan dollar is used for the purpose it was approved for.

By signing below, I/we agree to:

1. Use loan funds only for the purposes approved by EDIC/Lynn.
2. Provide **proof of purchase** for all equipment, fixtures, supplies and inventory bought with loan funds, such as paid receipts, paid invoices, or bank or credit card statements showing payment.
3. Provide **paid invoices from contractors** for all remodeling, renovation, leasehold improvement or construction work, along with any required City of Lynn permits.
4. Submit this proof within the timeframe set by EDIC/Lynn in the loan commitment.
5. Allow EDIC/Lynn to visit the business to confirm that equipment was purchased and work was completed.

> I understand that EDIC/Lynn may pay vendors or contractors directly, release funds in stages as work is completed, and hold any remaining loan funds until proof is received. Using loan funds for anything other than the approved purpose, or failing to provide proof, may be treated as a default under my loan documents.

Business Name: _____

Owner 1

Print Name: _____ Title: _____

Signature: _____ Date: _____

Owner 2 (if applicable)

Print Name: _____ Title: _____

Signature: _____ Date: _____

Economic Development
Industrial Corporation of Lynn

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3 City Hall Square
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ediclynn.org 781.581.9399

Consent to Obtain Credit Report

Separate form: one for each owner. Every owner with 20% or more of the business completes and signs their own copy. Print extra copies as needed.

I consent to the Economic Development & Industrial Corporation of Lynn (EDIC/Lynn) and its agents obtaining a report of my credit record and using the information from that report in determining whether to make a loan.

Last Name: _____ First Name: _____ M.I.: ____

Social Security Number: _____ Date of Birth: _____

Street: _____

City: _____ State: _____ Zip: _____

Phone: _____

Signature: _____ Date: _____

For EDIC/Lynn Office Use Only

Applicants: please leave this page blank.

Date received: _____ Received by: _____

Business name: _____

Documents received

- ☐ Signed application (all owners)
- ☐ Business plan or business summary
- ☐ Cash flow projection
- ☐ Personal tax returns (2 years)
- ☐ Business tax returns (2 years)
- ☐ Business financial statements
- ☐ City of Lynn Business Certificate
- ☐ Lease
- ☐ Quotes or invoices
- ☐ Resume or qualifications
- ☐ Photo ID
- ☐ Proof of citizenship or eligible status
- ☐ Use of Funds and Proof of Purchase Agreement
- ☐ Credit Report Consent (each owner)

Review

Program: _____ Amount approved: $ _____

Term: _____ Decision date: _____

LMFC review needed (over $5,000)? ☐ Yes ☐ No

Notes



Economic Development & Industrial Corporation of Lynn

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3 City Hall Square
Lynn, MA 01901

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Confidential. Once completed, this application contains personal and financial information. Please deliver it in person to Lynn City Hall, Room 407. Do not email it.