



Guidelines for the QuickLoan Program

Missouri Development Finance Board

200 Madison Street, Suite 1000

P.O. Box 567

Jefferson City, Missouri 65102

573/751-8479 (Main Number)

573/526-4418 (Fax)

Purpose of the Program

The MDFB QuickLoan Program is designed to provide Missouri *governmental and quasi-governmental entities* ("Public Entities") quick access to short term loans at tax-exempt interest rates.

Reasons for Using the Program

The Program is not designed to compete with or replace the ready and cost effective access to the municipal market available to most Missouri Public Entities. Instead, it is designed to fill a need for those unusual circumstances where a Public Entity decides that it would rather not go through the process of a bond or note issue. Such reasons include: (1) the size or term of the loan is such that the Public Entity determines that a bond issue is not cost-effective, (2) the loan is expected to be repaid from specific sources of revenue (*e.g.*, federal or state grants or appropriation or the issuance of revenue bonds), (3) the collateral or project being financed is not readily subject to a typical sale-leaseback financing, (4) a desire for quick funding of a short-term loan with a minimum of paperwork, or (5) a desire to avoid making current debt service payments on a short-term loan pending repayment from specific sources of revenue (federal or state grants or appropriation).

Use of QuickLoan Proceeds

All QuickLoan proceeds must be used to pay for public improvements. Unexpended QuickLoan proceeds will be held by a trustee selected by the Board pending disbursement upon written request from the Public Entity. Interest on unexpended moneys shall belong to the Public Entity and be credited to a project loan account.

Terms of QuickLoans

Generally QuickLoans will be in a minimum amount of \$250,000 and will have a final maturity date of not more than fifteen years. QuickLoans may be interest-only or amortizing. Monies cannot be used to acquire (1) land for industrial parks or other speculative development OR (2) property for private business. Interest will be payable semi-annually. In certain cases the Board will consider loaning the Public Entity amounts necessary to make interest payments on the QuickLoan for an agreed upon period of time. Funds to enable Public Entities to make interest payments may be included in the amount of the QuickLoan or from other Board funds. If other Board funds are used, the cost of such funds will be determined by the Board based upon its cost of funds at taxable interest rates.

Security for QuickLoans

QuickLoans will generally be secured by the full faith and credit of the Public Entity. If the QuickLoan proceeds are intended to be used by a quasi-public entity, the QuickLoan may need to be made directly to the Public Entity sponsoring such quasi-public entity. The Public Entity must demonstrate the ability to repay the QuickLoan. QuickLoans may not be limited obligations of the Public Entity, but may be subject to annual appropriation when required by state law. It is not anticipated that a security interest in any property will be required in most cases.

Application Process

The Program will utilize a two-step application process:

1. **Preliminary Application** — A Preliminary Application will be used to obtain a Term Sheet from the Board. Within five business days following the receipt of a Preliminary Application, the Board will prepare and send by fax to the Applicant a Term Sheet setting forth the expected terms of the QuickLoan. The terms in the Term Sheet will be based upon the Board's cost of funds as of the date of the Term Sheet. Actual interest rates will depend upon the date the QuickLoan is closed. The Term Sheet will contain a description of terms the Board has determined are obtainable based upon the information submitted by the Applicant. The approval of the Board would be sought based upon terms in the Term Sheet once the Board receives a Final Application.
2. **Final Application** — If the terms outlined in the Term Sheet are acceptable, the Public Entity may submit a Final Application.

Costs of the Program

1. **Preliminary Application Fee** — Following the Board's receipt of a Preliminary Application, the Board will prepare and send to the Applicant a proposed Term Sheet. The Preliminary Application fee is \$250 and is non-refundable. Payment should be made to the *Missouri Development Finance Board*.
2. **Final Application Fee** — If the Public Entity wants to proceed, it will need to submit a Final Application. The Final Application fee is \$2,250 and payment should be made to the *Missouri Development Finance Board*.

- The Final Application fee is refundable if the Board is unable to fund the QuickLoan at substantially the terms set forth in the Term Sheet or the Applicant declines the QuickLoan at substantially the terms set forth in the Term Sheet.
 - The Final Application fee will be credited against the Origination Fee at Closing.
3. **Origination Fee** — The Board will use an Origination Fee to pay for all fees and expenses associated with a QuickLoan. An Origination Fee is a one-time fee payable at closing and may be included in the QuickLoan Amount. The Origination Fee is calculated as follows:

| Loan Size | Origination Fee | Legal Fees |
|--|------------------------|--|
| First \$500,000 | 2.75% | \$5,000 |
| \$500,001 to \$1,000,000 | 2.25% | \$7,500 |
| \$1,000,001 to \$2,500,000 | 2.00% | \$12,500 |
| \$2,500,001 to \$5,000,000 | 1.75% | \$15,000 |
| \$5,000,001 to \$10,000,000 | 1.50% | \$20,000 |
| That portion greater than \$10,000,000 | 1.25% | \$20,000 plus \$0.50 per \$1,000 over \$10,000,000 |

Please note that the Final Application Fee will be deducted from the Origination Fee at Closing.

4. **Possible Trustee Fee** — An additional \$1,500 per year may be due if the Board uses a trustee. QuickLoans which require additional documentation due to non-standard terms may require additional fees.
5. **Annual Fee** — No annual fees will be assessed.

Interest Rates

Within five business days of receiving a completed Preliminary Loan Application, the Board will fax to the Applicant a Term Sheet containing the projected interest rates and terms.

Reporting Requirements

The Board requires the following documentation:

1. Preliminary Application.
2. Final Application.
3. Public Entity’s Audited Financial Statements for the last five fiscal years including the most recent interim statements (not more than 90 days old).
4. Additional information may be requested depending on the nature of the project.

Documentation

The Board’s standard form QuickLoan Program documents must be used. Only changes required by the specifics of the QuickLoan will be permitted. All documents (including all authorizing proceedings for the Board and the Public Entity) will be prepared by Gilmore & Bell, P.C., Board Counsel at the Board’s expense. All costs of the QuickLoan (excluding any costs of the Public Entity’s legal counsel or other advisors) will be paid by the Board from the Origination Fee charged by the Board in connection with the

QuickLoan. The Board will not be responsible for fees of any consultants retained by the Public Entity in connection with the QuickLoan. Only the professional fees of legal counsel to the Public Entity may be paid from QuickLoan proceeds. The Board will require an opinion from counsel to the Public Entity that all proceedings of the Public Entity were properly completed and comply with state law.

Staff Approval and Closing of QuickLoan

Applicants will be notified (except in extenuating circumstances) of staff's recommendation to the Board within two weeks of the submission of a completed Final Application to the Board. If staff recommends approval, the Final Application will be submitted to the Board at its next regularly scheduled meeting. The Board expects that QuickLoans will be funded approximately three weeks following approval of the Final Application by the Board.

Additional Information

Persons desiring additional information concerning the Board's QuickLoan Program should contact the Missouri Development Finance Board at (573) 751-8479.

Attachments

Preliminary Application
Final Application

Preliminary Application
(QuickLoan Program)

Missouri Development Finance Board

200 Madison Street, Suite 1000, P.O. Box 567, Jefferson City, MO 65102
573/751-8479 (Main Number) 573/526-4418 (Fax)

The undersigned Applicant hereby submits this Preliminary Application and requests the Missouri Development Finance Board (the "Board") to prepare a Term Sheet setting forth the terms upon which the Board would make a loan to the Applicant (the "Loan") pursuant to the QuickLoan Program for the purpose of financing the Project described below (the "Project").

Date: _____ Estimated Amount of Loan Requested: \$ _____

A. APPLICANT

Contact Name: _____

Applicant: _____

Address: _____

City: _____ County: _____ Zip Code: _____

Contact: _____ Telephone: () _____

Title: _____ Fax: () _____

B. PROJECT

1. Project Description:

2. Type of Project (mark applicable items):

- _____ Construction of new facilities
- _____ Additions or improvements to existing facilities
- _____ Refinancing of existing facilities
- _____ Equipment purchase
- _____ Other (Please Describe)

3. Location of Project Site:

(Street) (City) (County)

4. Constituency:

Provide the following information for the location of the project (used for statistical purposes only):

State House District No.: _____
 State Senate District No.: _____
 U.S. Congressional District: _____

5. Project Costs:

State the costs reasonably necessary for the acquisition of the site and/or construction of the proposed Project together with any machinery and equipment in connection therewith, including any utilities hook-up, access roads, or appurtenant structures.

| <u>Description of Estimated Costs</u> | <u>Total Cost</u> | <u>Cost Financed with Loan Proceeds</u> |
|---|-------------------|---|
| A. Acquisition of Land/Existing Bldgs | \$ _____ | \$ _____ |
| B. Construction Costs: | | |
| 1. Architectural and Engineering .. | _____ | _____ |
| 2. Site Preparation | _____ | _____ |
| 3. Materials | _____ | _____ |
| 4. Labor | _____ | _____ |
| 5. Construction Contract | _____ | _____ |
| 6. Utilities Connection | _____ | _____ |
| 7. Paving and Landscaping | _____ | _____ |
| C. Renovation Costs..... | _____ | _____ |
| D. Machinery and Equipment..... | _____ | _____ |
| E. Furniture and Fixtures | _____ | _____ |
| F. Interest during Construction (From _____ to _____)..... | _____ | _____ |
| G. Accounting, Legal, Miscellaneous | _____ | _____ |
| H. Contingency..... | _____ | _____ |
| I. Other (describe)..... | _____ | _____ |
| TOTAL | \$ _____ | \$ _____ |

C. FINANCIAL INFORMATION

Attach audited financial statements for at least the last fiscal year, including the most recent interim financial statement (not more than 90 days old).

D. CERTIFICATION OF APPLICANT AND APPLICATION FEE

The undersigned hereby represents and certifies that, to the best knowledge and belief of the undersigned, this Application, including the exhibits and attachments hereto, contains no information that is false or incorrect.

Attached hereto is a check in the amount of \$250 representing the amount due as the Preliminary Application fee. The undersigned understands that the Preliminary Application fee is non-refundable if the Board is unable to fund the Loan at substantially the terms set forth in the Term Sheet or the Applicant declines the Loan at substantially the terms set forth in the Term Sheet.

NAME OF APPLICANT: _____

SIGNATURE: _____

NAME OF SIGNER: _____

TITLE: _____

Final Application
(QuickLoan Program)

Missouri Development Finance Board
200 Madison Street, Suite 1000, P.O. Box 567, Jefferson City, MO 65102
573/751-8479 (Main Number) 573/526-4418 (Fax)

The undersigned Applicant hereby submits this Application and requests the Missouri Development Finance Board (the "Board") to make a loan to the Applicant (the "Loan") pursuant to the QuickLoan Program for the purpose of financing the Project described below (the "Project").

Date: _____ Estimated Amount of Loan Requested: \$ _____

A. APPLICANT

1. Contact:

Applicant: _____

Address: _____

City: _____ County: _____ Zip Code: _____

Contact: _____ Telephone: (____) _____

Title: _____ Fax: (____) _____

2. Type of Organization:

What type of governmental entity is the Applicant? _____

If city, what class: _____

3. Applicant's Legal Counsel:

Firm Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Contact: _____

Telephone: (____) _____ Fax: (____) _____

4. Changes to Preliminary Application:

Are there any changes to the preliminary application? _____ YES _____ NO
If so, please give explanation. Attach addendum, if necessary

5. Unemployment Rate:

What is the annual average unemployment rate for the City or the County where the Applicant is located for the last three years? Indicate whether the numbers are for the City or County.

| <u>Year</u> | <u>Unemployment Rate as a % of Total Labor Force</u> |
|-------------|--|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

6. Population:

What is the total population of the Applicant?

7. Employers:

Please provide information for the following table if either (1) the amount of the QuickLoan requested is greater than \$1,000,000, or (2) the population of the Applicant is greater than 15,000. Otherwise, skip this question number 7.

List the ten largest employers in the County (City if Applicant is a SMSA) in which the Applicant is located, the assessed valuation of the property owned by such employer in the county, and the total number or people employed in the county.

| | <u>Name of Employer</u> | <u>Assessed Value</u> | <u>Number Employed</u> |
|-----|-------------------------|-----------------------|------------------------|
| 1. | _____ | _____ | _____ |
| 2. | _____ | _____ | _____ |
| 3. | _____ | _____ | _____ |
| 4. | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ |
| 6. | _____ | _____ | _____ |
| 7. | _____ | _____ | _____ |
| 8. | _____ | _____ | _____ |
| 9. | _____ | _____ | _____ |
| 10. | _____ | _____ | _____ |

B. *PROJECT*

Provide information for numbers B1 through B5 if the information differs from the responses contained to the corresponding numbers in the Preliminary Application. If the responses are the same, indicate "No change since Preliminary Application."

1. Project Description:

2. Type of Project (mark applicable items):

- _____ Construction of new facilities
- _____ Additions or improvements to existing facilities
- _____ Refinancing of existing facilities
- _____ Equipment purchase
- _____ Other (Please Describe)

3. Location of Project Site:

(Street)

(City)

(County)

4. Constituency:

Provide the following information for the location of the Project (used for statistical purposes only):

State House District No.: _____
 State Senate District No.: _____
 U.S. Congressional District: _____

5. Project Costs:

State the costs reasonably necessary for the acquisition of the site and/or construction of the proposed Project together with any machinery and equipment in connection therewith, including any utilities hook-up, access roads, or appurtenant structures.

| <u>Description of Estimated Costs</u> | <u>Total Cost</u> | <u>Cost Financed with Loan Proceeds</u> |
|---|-----------------------|---|
| A. Acquisition of Land/Existing Bldgs | \$ _____ | \$ _____ |
| B. Construction Costs: | | |
| 1. Architectural and Engineering.. | _____ | _____ |
| 2. Site Preparation | _____ | _____ |
| 3. Materials | _____ | _____ |
| 4. Labor..... | _____ | _____ |
| 5. Construction Contract | _____ | _____ |
| 6. Utilities Connection | _____ | _____ |
| 7. Paving and Landscaping | _____ | _____ |
| C. Renovation Costs..... | _____ | _____ |
| D. Machinery and Equipment..... | _____ | _____ |
| E. Furniture and Fixtures | _____ | _____ |
| F. Interest during Construction (From _____ to _____)..... | _____ | _____ |
| G. Accounting, Legal, Miscellaneous | _____ | _____ |
| I. Contingency..... | _____ | _____ |
| I. Other (describe)..... | _____ | _____ |
| TOTAL | \$ _____ | \$ _____ |

6. Construction:

Has construction of the Project commenced?

_____ YES _____ NO

If yes, state the date construction commenced, the extent of such construction, and the time needed to complete each remaining portion of the Project:

7. Source of Funds:

State amount and describe sources and terms of financing for all of the Project costs listed above.

| <u>Sources</u> | <u>Amount</u> |
|---------------------|---------------|
| Quick Loan Proceeds | \$ _____ |
| Other Financing* | _____ |
| Applicant's Funds | _____ |
| TOTAL | \$ _____ |

*Describe source and terms of other financing

8. Ownership:

Present legal owner of Project site: _____

If presently owned by Applicant, indicate:

1. Date of purchase: _____
2. Reason for purchase: _____
3. Current use of site: _____

9. Relationship:

Is there a relationship legally or by virtue of common control between either the current Project user or owner or the proposed Project owner and user or seller of the Project?

_____ YES _____ NO

If yes, explain:

C. *FINANCIAL INFORMATION*

1. Financial Statements:

The Preliminary Application requested that the Public Entity's audited financial statements for its last fiscal year be attached. Please attach the following:

- the prior four audited financial statements and

- the most recent interim financial statement (not more than 90 days old).

2. Interim and Prospective Debt Information

Describe any indebtedness (principal amount, term, interest rate, security) incurred by the Applicant since the date of the Applicant’s last audit.

Describe all indebtedness incurred or to be incurred by the Applicant during the current calendar year?

3. Financial Difficulties:

Has the Applicant or any corporation formed by or on behalf of the Applicant ever defaulted on its debt obligations, been involved in bankruptcy, creditor’s rights, or receivership proceedings, or been involved in criminal proceedings bearing on the handling of financial matters?

_____ YES _____ NO

If yes, please give details.

4. Key Fund Surpluses (or Deficits):

Please list the Applicant’s general fund surpluses (or deficits) for the last five years.

| <u>Year</u> | <u>General Fund</u> |
|-------------|---------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

5. Assessed Valuation:

List the Applicant’s assessed valuation for the last five years.

| <u>Year</u> | <u>Assessed Valuation</u> |
|-------------|---------------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

D. LITIGATION:

Is the Applicant presently involved in any litigation which could have a material effect on its financial solvency?

_____ YES _____ NO.

If yes, please give details.

E. SECURITY FOR THE LOAN

Describe what additional security the Applicant is willing to pledge to secure the Loan:

- | | | | | | |
|----|-------------------------|-------|-----|-------|----|
| 1. | Annual Appropriation: | _____ | YES | _____ | NO |
| 2. | TIF Revenues: | _____ | YES | _____ | NO |
| 3. | Tax Revenues: | _____ | YES | _____ | NO |
| 4. | Other Fees or Revenues: | _____ | YES | _____ | NO |
| 5. | Real Property: | _____ | YES | _____ | NO |
| 6. | Other: | _____ | YES | _____ | NO |

F. CERTIFICATION OF APPLICANT AND APPLICATION FEE

The undersigned hereby represents and certifies that, to the best knowledge and belief of the undersigned, this Application, including the exhibits and attachments hereto, contains no information that is false or incorrect.

Attached hereto is a check in the amount of \$2,250 representing the amount due as the Final Application fee. The undersigned understands that the Final Application fee is refundable if the Board is unable to fund the Loan at substantially the terms set forth in the Term Sheet or the Applicant declines the Loan at substantially the terms set forth in the Term Sheet.

NAME OF APPLICANT: _____

SIGNATURE: _____

NAME OF SIGNER: _____

TITLE: _____