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Neligh Economic Development Office – 105 E 2<sup>nd</sup> St. – Neligh, Nebraska 68756 – P: 402-887-4447

## Neligh Market Rate Housing Revolving Loan Fund

Housing throughout the Midwest is in crisis. The City of Neligh is aware of the concern and is striving to assist new construction, purchase-rehab-resell, downtown upper-story housing, and manufactured housing projects more obtainable by qualified businesses as per statute in LB 840, Neligh's Economic Development Plan, and Neligh's Workforce Housing Plan.

A qualified business must meet the following criteria:

- Contractor
- Developer

Qualifying projects include the following:

- New Construction, single-family, and multi-family (\*minimum sq. footage requirements)
- Purchase-Rehab- Resell
- Manufactured Housing
- Downtown Upper Story Housing

Low-interest loans will be available on a first come, first served basis; Loan amounts will be for no more than 50% of the project cost. The maximum loan will be \$125,000. The loan terms will be 1% interest for 12 months with a lump sum due within 15 months of the initial loan closing. If an extension is needed, a discussion with the Director of Economic Development will be required as to the justification for the extension. A fee of \$250 per month will be assessed for projects not completed in the 12 months. An application fee of \$250 will be required when the application is submitted. Applications for additional projects will have a reduced fee of \$100 when a second project is presented for a loan within 12 months of the initial loan. The prior loan must be paid in full to be eligible for additional projects and Neligh Revolving Loan Funds. Closing costs will be collected at the loan closing and will consist of 1/3 of the Wall Street Journal Prime Interest rate with a floor of 2%.

All potential housing projects and applications must have a building permit approved by the City of Neligh to follow current zoning and city codes.

All applications received before the 20<sup>th</sup> of the month will be considered for funding the next month's City Council meeting. Applications received after the due date will be presented at the following month's City Council Meeting. All council decisions will be final, although an appeal may be filed if revisions to the project are suggested.

A grant program will be available to demolish a property that has outlived its useable life and must be torn down. The grant will only be available if a new home is replaced on the available lot. Construction must be completed within 12 months and will be payable once the newly constructed housing is complete. The grant available will be 50% of the total cost of demolition, up to \$5,000, for a \$2,500 grant. Continuation of the demolition grant program is contingent on available funds and future funding on a first come, first served basis.

# Neligh Market Rate Housing Revolving Loan Fund Program Checklist

This list will be a valuable tool to help you make sure you have all pertinent information when you turn in your application. The Neligh Economic Development Board requests you provide the following information. There may, however, be additional information the board will request. Requests received after the first of the month will not be processed for approval until the following month.

## ▪ **Business Financial Information**

\_\_\_\_ City of Neligh Market Rate Housing Revolving Loan Fund Application (signed)

\_\_\_\_ Business Plan, including projected cost of project and selling price and or rental price of property (income & expenses).

\_\_\_\_ Current year-to-date Profit and Loss Statement (signed)

\_\_\_\_ Recent balance sheet (signed) and previous two years, if available)

\_\_\_\_ Letter of Approval from bank/lender (this can be a conditional commitment)

\_\_\_\_ *If Corporation:* 2 years complete corporate full tax return (signed). By-Laws, Minutes of last Meeting, and Corporate Resolution authorizing loan application and execution of required documents.

\_\_\_\_ *If Partnership:* Copy of partnership agreement and two years partnership full tax return (signed).

\_\_\_\_ *If LLC or LLP:* Two years complete entity full tax return (signed).

## ▪ **Personal Financial Information**

\_\_\_\_ *If Sole Proprietor:* Two years completed individual federal full tax returns (signed).

\_\_\_\_ *If "S" or "C" Corporation, LLC, or PPL:* Two years completed individual federal tax returns, if over 25% ownership (signed).

\_\_\_\_ *If Partnership:* Two years complete individual federal full tax returns for general partners and for limited partners, if over 25% ownership (signed).

\_\_\_\_ Credit Report with Score

- From either you bank or ([www.annualcreditreport.com](http://www.annualcreditreport.com)) for individual sole proprietors.
- *If Corporation:* all shareholders with over 25% ownership.
- *If Partnership:* all general partners
- *If LLC or LLP:* managers

## ▪ **Other Information**

\_\_\_\_ Copy of Valid Driver's License

\_\_\_\_ Certification and Authorization Form (completed and signed).

\_\_\_\_ \$250 non-refundable application fee payable to the City of Neligh

\_\_\_\_ Authorization forms for Child Registry with the Department of Health and Human Services

\_\_\_\_ Criminal History Check Form (Nebraska State Patrol)

Neligh Market Rate Housing Revolving Loan Fund Application

PLEASE COMPLETE ENTIRE FORM – DO NOT LEAVE ANY QUESTIONS BLANK

A. Business (Borrower) Information:

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

Federal ID #: \_\_\_\_\_

Business Entity:        \_\_\_ Sole Proprietorship \_\_\_ General Partnership \_\_\_ "S" Corporation  
\_\_\_ "C" Corp. \_\_\_ Limited Partnership \_\_\_ Limited Liability Co. \_\_\_ Limited Liability Partnership

*(Depending on entity type, certain supporting documentation is needed – see checklist for details)*

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

City: \_\_\_\_\_, State \_\_\_\_\_ Zip Code: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone #: \_\_\_\_\_

Cell #: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Website (if applicable): \_\_\_\_\_

Classification: \_\_\_\_\_ Contractor \_\_\_ Developer \_\_\_ Other (Explain) \_\_\_\_\_

Does the business have a parent or subsidiaries? \_\_\_ Yes \_\_\_ No

If "Yes", Identify name: \_\_\_\_\_

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

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

Business Type: \_\_\_ Start-Up (0-5 years) \_\_\_ Acquisition \_\_\_ \*Existing \_\_\_ (years in business) \_\_\_\_\_

Ownership Identification: List all officers, directors, partners, owners, co-owners and all stockholders.

Name	Title	Ownership Percent
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %

Personnel (Full Time Equivalent – FTE is based upon 2,080 hours per year) \_\_\_\_\_

Existing Number of FTE Positions: \_\_\_\_\_

FTE Positions to be created during project construction: \_\_\_\_\_

Total Number of Seasonal FTE Jobs Created (i.e., Jobs which will be available for at least 3 continuous months and recur annually). \_\_\_\_\_

Starting wage per hour for your personnel: \$ \_\_\_\_\_

B. Project Information

<b>USES OF FUNDS</b>	Total Project Cost	Neligh Funds Requested
Land Acquisition	\$ _____	\$ _____
Building Acquisition/Renovation	\$ _____	\$ _____
New Construction	\$ _____	\$ _____
Acquisition of Equipment	\$ _____	\$ _____
Other: Specify _____	\$ _____	\$ _____
<b>TOTAL:</b>	<b>\$ _____</b>	<b>\$ _____</b>

**SOURCES OF FUNDS**

Note: Public financing requires the participation of a private financier and equity funds.

**Participating Lender Information:**

Name of Lending Institution: \_\_\_\_\_

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

State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Phone: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Loan Amount: \$ \_\_\_\_\_ Loan in Terms: \_\_\_\_\_

Interest Rate: \_\_\_\_\_% Variable: \_\_\_\_\_ Fixed: \_\_\_\_\_

Collateral Required: \_\_\_\_\_

Equity Required: \_\_\_\_\_

**Equity Information:** Amount required by business owner for investment: \$ \_\_\_\_\_

Project Location:

\_\_\_\_\_ Within City Limits of Neligh \_\_\_\_\_ Outside City Limits but within Neligh's zoning jurisdiction.

**C. Other Information Needed:**

**Personal Financial Statement:** Submit a detailed financial statement from CPA or accounting program.

**Business Documentation:** See Information Checklist for detailed outline depending on business type. Info to include Credit Report, tax returns, profit and loss statement, balance sheet, articles of incorporation, by-laws and minutes of last meeting, corporate resolution, and business plan.

**In addition, provide required information as indicated in the Neligh Market Rate Housing Revolving Loan Fund and Market Rate Housing Revolving Loan Fund Program Checklist, and a \$250.00 non-refundable application fee payable to the City of Neligh.**

The above information is accurate to the best of my knowledge and belief. The above information is provided to help you evaluate the feasibility of obtaining public financial assistance. I further authorize the release of personal information and business credit information and realize that if a loan recommendation is made, the terms of the loan will be public information.

Dated: \_\_\_\_\_ Signature: \_\_\_\_\_

Dated: \_\_\_\_\_ Signature: \_\_\_\_\_

**CERTIFICATION AND AUTHORIZATION**

Applicant: \_\_\_\_\_

Lender: City of Neligh  
105 E 2<sup>nd</sup> St.  
Neligh, NE 68756

**Certification**

To City of Neligh ("Lender"):

1. Applicant (and co-applicant if applicable), \_\_\_\_\_ has applied for a loan from Lender. In applying for the loan, the Applicant provided various information about the Applicant and the requested loan to the Economic Development Board of the lender, such as the amount and source of equity, income information, and assets and liabilities. The applicant certifies that all of the information is true and complete. Applicant made no misrepresentation to Lender, nor did Applicant omit any important information.
2. Applicant understands and agrees that Lender may verify any information, verifications from financial institutions of the information provided.

**Authorization to Release Information**

1. The applicant has applied for a loan with the City of Neligh ("Lender") as part of the application process. The lender, any insurer of the loan, and any collateral title insurer may verify the information Applicant provided to the Lender either before or after the loan is closed.
2. Applicant authorizes you to provide to Lender any and all information and documentation they may request and any information pertaining to a borrower's default in payment. Such information may include, but is not limited to, income, bank, money market, and similar account balances, credit history, and copies of income tax returns.
3. The lender may address and send this authorization to any person or company named below:
  - a. Financial Institution/ Loan Officer: \_\_\_\_\_
  - b. CPA Firm/ Accountant: \_\_\_\_\_
  - c. Law Firm/ Attorney: \_\_\_\_\_
  - d. Other: \_\_\_\_\_
4. A copy of this authorization may be accepted as an original.

**Authorization to File Financing Statement**

Applicant hereby authorizes the Lender to file the appropriate Financing Statement for the agreed-upon collateral before executing the security agreement.

Applicant is also aware that the terms of the loan recommendation will be furnished to the Neligh City Council and will be public information and include the following: business entity, project description, loan amount, length of loan, interest rate, security, repayment, loan closing date, and any other pertinent information.

Applicant: \_\_\_\_\_ Date: \_\_\_\_\_  
*Signature*

Co-Applicant: \_\_\_\_\_ Date: \_\_\_\_\_  
*Signature*