

PANHANDLE AREA COUNCIL, INC.

Small Business Micro Loan Program

Commercial Loan Department:

Paul Ferguson, ext. 3022

Stephanie Sherman, ext. 3007

Panhandle Area Council, Inc. does not discriminate by reason of race, color, religion, sex, marital status, handicap, age, or national origin in services or accommodations offered or provided to our loan clients and potential loan clients. PAC is an equal opportunity provider.

PANHANDLE AREA COUNCIL, INC.

**11100 N. Airport Drive
Hayden, Idaho 83835**

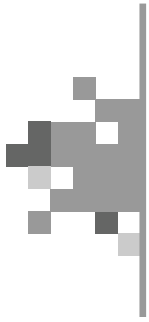
**Phone: 208.772.0584
Fax: 208.772.6196
Website: www.pacni.org**

Panhandle Area Council is dedicated to the economic development of North Idaho. To insure the continued growth and prosperity of small businesses in our region, Panhandle Area Council, through the assistance of the U.S. Small Business Administration, has designed the Small Business Micro Loan Program.

The formation of the Small Business Micro Loan Program satisfies the need of small businesses for loans of \$1,000 to \$25,000. Micro loans are typically for businesses which have been operating for at least one year. However, start-up businesses will be considered with the submission of an adequate business plan. The loan proceeds can be used for equipment purchases or repair, inventory purchases, and working capital. This program can not be used to refinance pre-existing debt.

The Small Business Micro Loan requires a first lien position on any equipment or inventory purchased with the loan proceeds. In addition, other collateral, both business and personal, may be used. No bank match requirements exist for this program. The term is usually three to five years, with a fixed interest rate. A 15% borrower capital injection is required.

The attached Small Business Micro Loan application lists items needed for the program. Additional information that should be submitted include: business plan for start-up business, monthly cash flow projections for one year, resume for owner, and both personal and business financial statements.



Small Business Micro Loan Program

LOAN APPLICATION CHECKLIST

- Completed loan application, both sides. Do not forget to sign both the front and back. Signatures allow PAC to obtain a credit report.
- Specific list of how loan proceeds will be spent.
- Business plan discussing location, business structure, marketing plans, competition, etc.
- For existing businesses please submit:
 - ~ Most recent two years tax returns and YE balance sheet and profit/loss statement.
 - ~ Interim financial statement including balance sheet and profit/loss statement.
- New business or new owner please submit one year's cash flow projections by month.
- Most recent two years personal federal income tax returns.
- Resumes of all people important to the business, i.e. owners, managers, etc.
- Certificate of Assumed Business Name (if you are an LLC or corporation please submit bylaws, articles of incorporation, etc.).
- Pictures, brochures, samples, etc. that would demonstrate products or services. *

*Other items may be requested as part of the review process.

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Business Plan Outline

SUMMARY

- A. Description: Type of business, what are the products or services?
Is it a start-up, takeover, or an expansion?
What is the business form, hours, and days open?
What have you learned from outside sources (trade suppliers, banks, trade magazines, suppliers, other business people)?
Why will your business be profitable?
- B. Market: Who is your market and define how to attract and hold you market, how will you satisfy your market, and how will you price your product?
- C. Competition: Who are your closest competitors, how is their business, what have you learned from your competition, how will you monitor your competition?
- D. Location: What are your needs, what kind of building is needed, is the area desirable?
- E. Management: Why your business experience and background will make you successful. Explain your weakness and how you will compensate for them. Describe the management team, list the duties of each member, and show that the duties are clearly defined.
- F. Personnel: Describe your present needs, long term needs (three years), wages or salaries, will you have overtime, fringe benefits and training programs?
- G. Application And Expected Effect of Loan: Generally explain why you need the money, how the money will be utilized, why the funds will make your venture profitable, and how the loan will be paid.

PANHANDLE AREA COUNCIL, INC.
APPLICATION FOR BUSINESS MICRO-LOAN

Jim Deffenbaugh, Executive Director

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 Hayden, ID 83835

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 Stephanie Sherman, ext. 3007

Name of Business		Street Address		State	Tax ID No.
Phone # of Business		City	County	Zip	
Type of Business			Style of Ownership	# of Shareholders/ % of Ownership	
Business Phone #			Bank of Business Account and Address		Date Business Established
Use of Proceeds Enter Gross Dollar Amounts (Rounded to Nearest Hundereds)		Amount Requested	Collateral	Current Market Value	Cost
Acquisition and/or Repair of Machinery and Equipment (Include a list of equipment to be purchased)		\$	A. Land and Building	\$	\$
Inventory Purchase		\$	B. Machinery and Equipment	\$	\$
Working Capital (Including Accounts Payable)		\$	C. Inventory	\$	\$
Other		\$	D. Other (Vehicles)	\$	\$
Total Loan Requested		\$	Totals	\$	\$

BUSINESS INDEBTEDNESS: Furnish the following information on all installment debts, contracts, notes, and mortgages payable.

To Whom Payable	Original Amount	Original Date	Present Balance	Maturity Date	Monthly Payment	Collateral	Current or Past Due

1. Have you or any officers of your company ever been involved in bankruptcy or insolvency proceedings? If yes, provide details. If no, check here:
2. Are you or your business involved in any pending lawsuits? If yes provide details. If no, check here:
3. Do you or your spouse or any member of your household, or anyone who owns, manages or directs your business or their spouse or members of their households work for the Small Business Administration, Small Business Advisory Council, SCORE or ACE, or any Federal Agency, or the participating lender? If yes, provide the name and address of the person and the office where employed. If no, check here:
4. Does your business, its owners or majority stockholders own or have a 20% or more interest in other businesses? If yes, provide their names and relationship with your company along with a current balance sheet and operating statement for each. If no, check here:

CERTIFICATION: I/We certify: (a) I/We have not paid anyone connected with the Federal Government for help in getting this loan. I/We also agree to report to the SBA office of the Inspector General, 1441 L Street N.W., Washington D.C. 20416 any Federal Government employee who offers, in return for any type of compensation, to help get this loan approved. (b) All information in this application is true and complete to the best of my knowledge and is submitted to PAC to determine whether to grant a loan to me/us. I/We agree to pay for or reimburse PAC for the cost of any surveys, title or mortgage examinations, appraisals, etc., performed by PAC in connection with this loan request. You may verify any of this information and may check my/our credit and employment history from time to time. You may also answer questions from others about your credit account experience with me/us. I/We have read and understood the application and agree to provide any additional information which may be legally required to determine credit worthiness.

If Applicant is a proprietor or general partner, sign below: _____ Date: _____

Corporate Name and Seal: _____ Date: _____
 By: (Signature of President)

X

Applicant's Full Name: () Married () Unmarried () Separated		Social Security Number		Date of Birth	# of Dependents	() Own () Rent () Other
Address or P.O. Box		City	County	State	Zip	How Long There Yrs. Mos.
Home Phone	Previous Address (street, city, state, zip if at above address less than 2 years)					How Long There Yrs. Mos.
Gross Monthly Salary	Take Home Pay	Other Income (You don't need to tell us about alimony, child support, or separate maintenance payments unless you wish to use such income to establish your credit worthiness.) Source(s) Amount When Received				
Employer (name and address)					Position	Time Employed Yrs. Mos.
Name of Nearest Relative Not Living With You		Address		Relationship	Phone	
Co-Applicant's Full Name: () Married () Unmarried () Separated		Social Security Number		Date of Birth	# of Dependents	() Own () Rent () Other
Address or P.O. Box		City	County	State	Zip	How Long There Yrs. Mos.
Home Phone	Previous Address (street, city, state, zip if at above address less than 2 years)					How Long There Yrs. Mos.
Gross Monthly Salary	Take Home Pay	Other Income (You don't need to tell us about alimony, child support, or separate maintenance payments unless you wish to use such income to establish your credit worthiness.) Source(s) Amount When Received				
Employer (name and address)					Position	Time Employed Yrs. Mos.
Name of Nearest Relative Not Living With You		Address		Relationship	Phone	
Checking Account #	Institution	Branch	Insurance Company (Home and Auto)			
Savings Account #	Institution	Branch	Agent's Name and Address			

PERSONAL FINANCIAL STATEMENT

What I Own (Assets)	Value	What I Owe (Obligation)	Balance	Monthly Payment
Cash	\$	Monthly Rent		\$
Checking (Institution Name)	\$	Credit Cards Issuer Card No.	\$	\$
	\$	1.	\$	\$
	\$	2.	\$	\$
Savings (Type of Account/Institution Name)	\$	3.	\$	\$
	\$	4.	\$	\$
	\$	5.	\$	\$
Other Deposits (Institution Name)	\$	Real Estate (Your Home) Financed By	\$	\$
	\$		\$	\$
Real Estate (Your Home) Year Acquired Purchase Price	\$	Other Real Estate (Describe)	\$	\$
	\$	Financed By	\$	\$
Other Real Estate Year Acquired Purchase Price	\$	Lines of Credit (list even if no balance) Issuer Credit Unit	\$	\$
	\$	1.	\$	\$
Stocks and Bonds	\$	2.	\$	\$
1. Description	\$	3.	\$	\$
No. of Shares Market Value/Book Value	\$	4.	\$	\$
2. Description	\$	5.	\$	\$
No. of Shares Market Value/Book Value	\$	Auto Loans Financed By Account No.	\$	\$
Automobiles Year Make	\$	1.	\$	\$
1.	\$	2.	\$	\$
2.	\$	Loan Against Life Insurance Policy	\$	\$
Personal Property	\$	Alimony/Child Support Payments		\$
Boat and/or Recreational Vehicle Year Make	\$	Other Debt	\$	\$
1.	\$		\$	\$
2.	\$		\$	\$
Cash Value of Life Insurance (itemize below)	\$		\$	\$
Other Assets (if necessary describe on separate sheet)	\$		\$	\$
	\$		\$	\$
	\$		\$	\$
	\$		\$	\$
Total Assets	\$	Total Obligations and Monthly Payments	\$	\$
Applicant's Signature	Date	Net Worth (What I Own Less My Obligations)	\$	
		Co-Applicant's Signature		Date

NOTICE

IMPORTANT INFORMATION ABOUT IDENTIFICATION PROCEDURES **WHEN OBTAINING AN SBA 504 LOAN** **OR OTHER PAC LOAN**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all Certified Development Companies to obtain, verify, and record information that identifies each person who applies for an SBA 504 Loan.

Panhandle Area Council will also obtain, verify, and record information that identifies each person who applies for an SBA Micro Loan, Rural Development Intermediary Relending Program loan, and Revolving Loan Fund loan.

What this means for you: When you apply for an SBA 504 Loan or other loans, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.