

**Village
of
Walden
New York**

**Commercial Loan
Program**

Guidelines

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Mayor

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PROGRAM SUMMARY

PURPOSE:

- Increase employment and business activity
- Create aesthetically pleasing business area

GENERAL POLICIES:

- Information remains confidential
- Village Manager to review data
- Multiple loans permitted
- Subject to terms as outlined in Resolution 19-15-16

ELIGIBILITY:

- Commercial or mixed use properties
- Multi-family dwellings containing 2 or more units
- Ground level commercial use present for commercial properties
- Tenant may apply if long term lease and sufficient security and assets

LOAN TERMS:

- \$1,000 to \$20,000 per unit up to an aggregate of \$100,000.00 per owner can be borrowed with the approval of the Village Manager and compliance with these guidelines. Anything outside of these parameters will require approval of the Village Board
- 3% interest
- \$425.00 application fee
- 6% late payments
- 15 day grace period for payments
- Loan in first or second position
- Loan to value ratio <80%
- Assessor's appraisal required if high debt
- Loan secured by note and mortgage and possibly security or guaranty
- Loan payments accelerated if two payments are missed

DOCUMENTS REQUIRED:

- Complete application
- Two years personal and business tax returns
- Audited business statement; if deemed necessary
- Title search including liens, assessments and judgment
- Credit check
- Deed
- Paid taxes and water, sewer, assessments

PROGRAM PURPOSE

The Walden Commercial Loan program has two basic goals:

Increase employment and business activity
Create aesthetically pleasing commercial areas

In this regard the program will give priority to applications that expand and existing or create new businesses and eliminate substandard conditions in the central business district and commercial properties in other parts of the Village

GENERAL POLICIES

All applications will be treated and processed in the same manner.

Financial information will be treated confidentially.

A property owner may not have more than one loan with the Village of Walden outstanding at one time. A second loan may be made to the same owner or principal for a second property provided the first loan has been 50% paid. Corporations or partnerships owning multiple properties will be considered to be the same owner unless they have different partners or principals. Third loans are permitted if first is 50% paid and the second is 50% paid.

DESIGN ACCEPTABILITY

Proposed work which is not considered appropriate or consistent with the theme of the business district will not be assisted.

Applicants may provide a written scope of work or have a professional scope prepared by the Village. In either case, the applicant will be expected to obtain three written contractor proposals for the specific work involved.

ELIGIBILITY

Owner of commercial, mixed use, or multi-family properties located within the Village of Walden are eligible for assistance.

Properties assisted with façade loans must have ground level commercial use. Business expansion loans are possible above first floor.

If approved by the Village, the commercial tenant of an eligible property may apply for assistance if the owner gives written permission. In such cases, the business lease must be as long as or longer than the loan term. In addition, the applicant must provide sufficient assets to secure the loan.

ELIGIBLE WORK

Based on the program purpose of improving the business activity, employment and appearance of the Village, the following work is eligible:

- A. Business Expansion
Alterations, additions, renovations or other construction designed to create new business activity and jobs, expand existing businesses to upgrade business to improve their marketing, sales or volume.
- B. Site Improvements
Improvements to or expansion of parking, paving of parking area, exterior landscaping, new plantings or other site modifications that enhance the appearance of activity of the business.
- C. Facade Improvements
Improvements to the exterior of eligible structures including painting, siding, cleaning, re-pointing of masonry, restoration of decorative trim or details, new windows, doors and exterior treatment. Emphasis will be given to work which is visible from the exterior or which is part of an overall renovation of the structure which includes new façade elements.
- D. Signs and Lighting
Removal and installation of signs (Subject to Architectural Review Board approval), replacement or installation of exterior lighting, lighting designed to expand business hours or enhance safety of pedestrians and customers.
- E. Code Compliance; Asbestos; Lead Paint
Any and all existing building code violations must be remedied to the satisfaction of the Village Building Inspector before any other work may be done on the premises.
- F. Multi-Family
According to federal guidelines, priority must be given to repairs which eliminate health and safety hazards: that is, housing code violations. Eligible work includes structural repairs, replacements, general exterior work, general interior work, energy efficiency, and ADA accessibility. Ineligible Work includes driveways, garages, solar panels or cosmetic improvements.

APPLICANT DOCUMENTATION

A complete application on the form provided by the Village is required. Minor details or data that are missing may be clarified by telephone and incomplete applications may be given a preliminary review, but must be completed for processing to be undertaken.

The applicant's financial information shall include:

1. Two years personal or business federal tax returns.

OR

An audited business profit and loss statement

2. A short title search will be required following loan approval and prior to closing. Records will be checked for liens, assessments and judgments.
3. Credit and overdraft checks will be performed once the preliminary review has been completed and the application appears to be acceptable.
4. Prior to closing, the applicant will be asked to provide a copy of the property deed and evidence that town, school and village taxes and Village water and sewer services are current.
5. Other documentation may be required as determined by the Village Manager.

LOAN TERMS

An applicant can apply to borrow from \$1,000 to \$20,000 per unit up to an aggregate of \$100,000.00 per owner can be borrowed with the approval of the Village Manager and compliance with these guidelines. Anything outside of these parameters will require approval of the Village Board.

The loan will be self-amortizing and interest will be assessed at the rates of 3% interest per annum.

An application fee of \$425.00 will be charged. If the application is approved, this fee will be applied toward the closing costs of the loan. Borrowers will also be responsible for title insurance, mortgage tax and related closing costs including mortgage preparation fee and filing costs. These costs may be paid separately by the borrower or may be added to the amount of the loan.

Late payments in the amount of 6% of the monthly payment will be assessed each time a payment is late for more than fifteen (15) days.

No loan will be made unless the Village of Walden is in either a first or second lien position and the loan to value ratio is 80% or less.

The Village reserves the right to obtain an appraisal of the premises the cost of which shall be borne by the Borrower.

The loan will be secured by a note and mortgage that will be recorded in the Office of the County Clerk. Depending upon the circumstances of the loan, an additional security interest or personal guaranty may be required.

In the event that two consecutive loan payments are missed, the Village will have the right to accelerate all payments remaining on the loan and will further have the right to seek to foreclose on the mortgage, take recourse against the promissory note and/or personal guarantee as well as exercise any other recourse it may have to recoup the monies owed.

VILLAGE OF WALDEN
COMMERCIAL LOAN PROGRAM

INSTRUCTIONS:

Sections I, II, III. Please provide the information requested. "You" refers to the proprietor, general partner or corporate officer signing this form.

Section IV. Use of the loan money; if your use of the loan fits one of the categories listed on the application form, please fill out this section. If you use "other" submit a list on a separate sheet of paper and label the list Exhibit A.

Section V. Summary of collateral; if your collateral consists of (A) Land and Building, (B) Inventory, and/or (C) Accounts Receivable, fill in the appropriate blanks. If you are using (D) Machinery and Equipment, (E) Furniture and Fixtures, and/or (F) Other, please provide an itemized list of serial and identification numbers for all articles which had an original value greater than \$500.00 (Labeled Exhibit B).

I. APPLICANT/INFORMATION ABOUT YOU

Name _____

Address _____

Telephone _____

II. INFORMATION ABOUT YOUR BUSINESS

Name of Business _____

Address of Business _____

Telephone _____

Type of Business _____

Date Established _____

Number of Employees: Present _____ After Approval _____

IRS Employer I.D. Number _____

Bank Where Your Business has an Account _____

Address _____

III. INFORMATION ABOUT MANAGEMENT. List the names of all owners (having 20% or greater interest), officers, directors, and/or

partners. Provide the percent of ownership and the annual compensation. If more space is needed attach a separate sheet.

Name and Title % of Ownership

Address Annual Compensation

Name and Title % of Ownership

Address Annual Compensation

Name and Title % of Ownership

Address Annual Compensation

IV. HOW YOU PLAN TO USE THE LOAN MONEY

Total Loan Requested

\$ _____

Term of Loan

Years _____ Months _____

Have you ever gone through bankruptcy or compromised a debt?

_____ Yes _____ No

If this is a statement of you and your spouses, are any assets spouse's separate property?

_____ Yes _____ No

Are any assets pledged or debts secured except as shown above?

_____ Yes _____ No

NOTE: If space is insufficient, separate schedules, which should be clearly identified as being part of this statement may be attached. Such schedules should be dated and signed in the same manner as this statement.

SCHEDULE A - BANK ACCOUNTS

Name of Bank	Type of Account	In Name of	Current Balance

SCHEDULE B - LIFE INSURANCE

Name of Insurance Company	Insured	Primary Beneficiary	Face Amount	Policy Loans	Cash Surrender Value

SCHEDULE C - MARKETABLE SECURITIES

Description	Number of Shares of face Value (Bonds)	Registered Owner	Are these Pledged?	Yearly Dividends	Market Value

SCHEDULE D - NON-MARKETABLE SECURITIES

Description	Number of Shares	Resisted Owner	Are These Pledged?	Yearly Dividends	Valuation Basis	Value

SCHEDULE E - REAL ESTATE

Address & Type of Property	Title in Name of	Original Cost	Year Acquired	Present Value	Tax Assessment Value

MORTGAGES

Current Balance	Year of Maturity	Held By
1)		
2)		
3)		

SCHEDULE F - NOTES, ACCOUNTS AND LOANS PAYABLE

To Whom Indebted	Account No.	Original Amount	Present Balance	Monthly Payment	Amount Past Due

The information contained in this statement is provided for the purpose of obtaining a loan from you on my/our behalf or on behalf of firms or corporations in whose behalf I/we may, either severally or jointly with other, execute a guaranty in your favor. I/we understand that you are relying on this information (including the designation made as to ownership of the property) in deciding to grant or continue credit. I/we certify that the information provided is true and complete. You are authorized to check my/our credit and employment listing and to make all other inquiries you deem necessary to verify the accuracy of the statements made on this form, and to determine my/our credit worthiness. You are authorized to answer questions about your credit experience with me/us.

Signature (Individual) _____

Signature (Joint application) _____

Name of Company _____

I/we authorize disclosure of all information submitted in connection with this application to the financial institution agreeing to participate in the loan.

As consideration of any management and technical assistance that may be provided, I/we waive all claims against the Village of Walden and its consultants.

Signature and Title of Applicant

Print or Type Name of Applicant

Date