

Minnesota Small Business Loan Guarantee (SBLG) Loan Enrollment Form

Please note: Loans cannot be closed prior to DEED approval. If DEED approves a loan to be closed prior to loan enrollment, the loan closing must be contingent upon loan guarantee approval.

This program will help Minnesota lenders provide capital to small businesses in Minnesota affected by COVID-19. These loans can be used for a variety of purposes and can be subordinate to other financing. Example of allowable loan uses are machinery or equipment purchases, maintenance, or repair; expenses related to moving into or within Minnesota; and working capital when the working capital is secured by fixed assets when possible.

The funds should be targeted to Minnesota businesses with fewer than the equivalent of 250 employees statewide. The number of employees includes parent company and all locations. The program will provide an 80% guarantee up to a maximum of \$200,000. A fee of .25 percent on the guarantee loan principal will be charged for each loan enrolled into the program.

Loans to the following businesses types would not be eligible:

- a business manufacturing, distributing, selling or conducting related activities of sexually explicit materials;
- a business that derives income from passive investments without operational ties to operating businesses;
- a business whose activities are primary focused on speculative activities that develop profits from fluctuations in price rather than through the normal course of trade;
- a business that earns more than half of its annual net revenue from lending activities;
- a business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants;
- a business engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted; and
- a business engaged in gambling enterprises, unless the business earns less than 50% of its annual net revenue from lottery sales.

Loans are encouraged (but not required) to have a debt coverage ratio of at least 1.25 and/or current asset ratio of 1.2 with both showing positive trends as of December 31, 2019.

For additional information please refer to the Frequently Asked Questions page on the DEED website for the Small Business Loan Guarantee Program.

Lender Information

Lender Name: _____

Account Officer: _____

Phone: _____ E-mail: _____ Vendor Number: _____

Underwriter Name (if different than Account Officer): _____

Phone: _____ E-mail: _____

Borrower Information

Borrower Name: _____

Borrower Address: _____

City: _____ State: _____ ZIP: _____ County: _____

Phone: _____ Website: _____ E-mail: _____

Contact Person & Title: _____

Business Legal Name (if different than above): _____

Business Description: _____

Legal Structure: LLC Corporation Sole Proprietorship

Year Organized: _____ 6-digit NAICS Code: _____

Number of Employees Statewide _____ (Full-Time): _____ (Part-Time): _____

NOTE: The number of employees includes parent company and all locations, fulltime employees are defined as positions working at least 2080 hours per year.

Loan Information

Is this a new lending relationship with your institution? Yes No

Borrower use of funds: _____

Loan Amount _____ Loan Enrollment Fee* _____

**For example, .25% X 100,000 loan (\$80,000 guaranteed) = \$250 loan enrollment fee.*

Has this business used a DEED loan guarantee program in the past? Yes No

Attachment required:

To enroll a loan in a program, a lender must provide the lender's loan review/underwriting summary with this request for the guarantee. Please submit with the Loan Enrollment Form.

Project Financing (List all sources of funds)

Please list information for all other sources of financing including banks, public entities, etc.:

Name of Financial Institution	Loan Amount	Loan Position	Contact	Email

LENDER CERTIFICATION:

To the best of my knowledge, the data and analysis in this "Request for Enrollment" is correct and complete.

The undersigned:

- a. grants the State of Minnesota and its agents the right to contact individuals and organizations as the State may deem necessary to verify the accuracy and completeness of any and all applicant data,
- b. agrees to execute and deliver written authorizations for the release of data or for any data privacy waivers reasonably required for the State to verify the accuracy or completeness of applicant data,
- c. certifies that the financial institution has exercised its normal due diligence in processing this loan and believes information provided by the borrower is true,
- d. believes that the loan is eligible for the guarantee and that the loan would not be made without the guarantee,
- e. acknowledges that it is aware that the act of providing false applicant data may subject it to penalties provided by State and Federal laws,
- f. has obtained assurance from the borrower that the loan proceeds are for a qualified business purpose as defined in the Loan Enrollment Agreement (the "Guarantee") and,
- g. certifies that the loan is not a refinancing of a loan or other debt previously made to the borrower by the lender or an affiliate of the lender.

If an award is provided for the project, the information contained in the application will become a matter of public record except for those items protected under the Minnesota Government Data Practices Act found in Minnesota Statutes, Chapter 13.

I have read the above statement and I agree to supply the information requested to the Minnesota Department of Employment and Economic Development, Office of Business Finance with full knowledge of the information provided herein. I certify the information contained herein is true and accurate.

Additional certifications and requirements will be specified in the Guarantee.

Signature of Authorized Lender Representative: _____

Printed Name: _____

Title: _____ Date: _____

LENDER CERTIFICATION
CONFLICT OF INTEREST

The lender hereby certifies to the Minnesota Department of Employment and Economic Development (“DEED”) and agrees as follows:

- a. No employee or director or family member of an employee or director of the lender has any personal financial interest in the qualifying small business for which project approval under the Minnesota Small Business Loan Guarantee Program is being sought.
- b. The lender will promptly notify DEED if and when an event occurs that renders this Conflict of Interest Certification obsolete or inaccurate.
- c. For the purposes of this certification the following terms have the meanings set forth below:
- d. A “family member” includes:
 - i. Immediate family (a spouse, domestic partner, or significant other), parents and grandparents, children and grandchildren, brothers and sisters, and stepbrothers and step-sisters; and
 - ii. More distant relatives, such as aunts and uncles and first and second cousins, if they live in the same household.
- e. A “personal financial interest” includes any financial interest, whether direct or indirect, that is derived from ownership, right to ownership of, or investment in the qualifying small business.

Name/Title of Lender Authorized Representative

Signature of Lender Authorized Representative

Date