DED - INVESTMENTS
Department of Commerce, Community, and Economic Development

Rural Development Initiative Fund

AS 44.88.600 – As 44.88.620 3AAC 99.825 – 3AAC 99.899

Purpose

To provide private sector employment by financing the start-up and expansion of businesses that will create significant long-term employment.

Contact Information

Mail Applications To:
DED - INVESTMENTS
DCCED
P.O. Box 110802
Juneau, AK 99811-0802

By Telephone:
(800) 478-LOAN (5626) Toll Free within Alaska
(907) 465-5437 TTD

By Email:
financing@alaska.gov

In Person:

Juneau Office
State Office Building
333 Willoughby Ave. 9th Floor
Juneau, Alaska
(907) 465-2510 Office
(907) 465-2103 Fax

Anchorage Office
Robert B. Atwood Building
550 W. 7th Ave. Suite 1770
Anchorage, Alaska
(907) 269-8150 Office
(907) 269-8147 Fax

Website:
www.commerce.alaska.gov/web/ded

The Division of Economic Development, Department of Commerce, Community, and Economic Development complies with Title II of the Americans with Disabilities Act of 1990. This publication is available in alternative communication formats upon request. Please contact the Division of Economic Development at (907) 465-2510 or TDD (907) 465-5437 to make any necessary arrangements.

GENERAL REQUIREMENTS

- Loans may be made to a business located in a community with a population of 5,000 or less that is not connected by road or rail to Anchorage or Fairbanks, or with a population of 2,000 or less that is connected by road or rail to Anchorage or Fairbanks.
- Loans may be made for working capital, equipment, construction or other commercial purposes.
- Loans may not be made to pay costs that were incurred more than 6 months before loan application.
- Loans must result in the creation of new jobs or the retention of existing jobs in the eligible community.

TERMS AND CONDITIONS

- Maximum loan amount is $150,000.00 to a person or up to $300,000.00 to two or more persons.
- Maximum loan term is 25 years.
- Interest rate will be fixed at the time of loan approval (contact us for current rate).
- All loans must be adequately secured. A loan may not exceed the value of the collateral used to secure the loan.
- A reasonable amount of money from other non-state sources must be committed for use on any project for which money from a loan will be used.

FEES

- A $150 application fee (non-refundable) must accompany all applications.
- A 1% origination fee is due at closing.
- Borrower is responsible to pay all direct costs incurred in processing an application including title reports and title insurance, recording fees, appraisals, travel or other direct costs.

CHECK-OFF LIST

The following information is **required** in order to process your application. Please use the list to make sure all information is submitted. Retain a copy of this application for your records. The department may require additional information or documentation, as it deems necessary in order to verify eligibility or other requirements of the program.

	1	**Application for Rural Development Initiative Fund Loan:** Be sure the form has been completed and signed. If a partnership or corporation, each individual owning 20% or more must complete an application (page 3).
	2	**Non-refundable Application Fee:** You must include a check or money order for $150.
	3	**Letter of Intent:** (Page 4).
	4	**Project Funding Summary:** (Page 5).
	5	**Business Profile:** (Page 6).
	6	**Job Information:** (Page 6).
	7	**Individual Financial Statement:** Required from all individual applicants. If the applicant is a corporation, required from all individuals owning 20% or more of any outstanding shares. If applicant is a partnership or other association, required from all individuals in the organization. Must indicate financial condition of the individual as of no more than 90 days prior to receipt of application (pages 7 & 8).
	8	**Business Financial Statement:** Must indicate financial condition of business as of no more than 90 days prior to receipt of application (pages 9 & 10).
	9	**Collateral:** (Page 11).
	10	**Actual Statement of Profit & Loss:** (Page 12).
	11	**Projected Statement of Profit & Loss:** (Pages 13 & 14).
	12	**Copy of government issued identification:** Provide a copy of each applicant's valid government issued identification at or before loan closing.
	13	**Authorization to Obtain Credit and/or Release Information:** (Page 15).
	14	**Oath:** (Page 16).
	15	**Federal Tax Returns:** Include complete, signed copies of your federal income tax returns for the last three years. You must also submit the business' last three year's tax returns. Corporations must submit complete copies of their last three year's federal income tax returns, as well as returns for individuals owning 20% or more of the corporation.
	16	**Original Earnest Money Agreement, Contractor's Bid, Purchase Agreement, or Other documentation to verify the Use of the Loan Proceeds.**
	17	**Business Plan or Business Resume:** Brief narrative on your business experience and history.
	18	**Current Bank Statement:** Provide copies of current bank statements verifying Cash Accounts as shown on Financial Statement.

APPLICATION FOR RURAL DEVELOPMENT INITIATIVE FUND LOAN

Please check one:				
☐ Individual	☐ Business	☐ Partnership	☐ Corporation	Today's Date:

Applicant Business Name:		NAICS (From Business License):
Mailing Address (Street/PO Box, City, State, Zip Code)		SSN/EIN: Business Telephone Number:
Applicant Name (Last, First, M.I.)		Applicant's Telephone Number
Mailing Address (Street/PO Box, City, State, Zip Code)		☐ Married (Including separated) ☐ Not Married (Single, divorced or widowed) Social Security Number:
Date of Birth	Place of Birth: (City & State)	Number of Dependents (Excluding applicant)
Applicant's Employer:	Occupation/Position:	Employer's Telephone Number:
How long at present position? Years Months		Gross Monthly Salary (before deductions): $
Spouse/Co-Applicant Name: (Last, First, M.I.)		Social Security Number
Mailing Address (Street/PO Box, City, State, Zip Code)		Date of Birth (City & State) Employer's Telephone Number:
Spouse/Co-Applicant's Employer	Occupation/Position:	Gross Monthly Salary (Before deductions): $
How Long at Present Position? Years Months		
Nearest relative not living with you/Contact Person Name: (Last, First, M.I.)		Telephone Number:
Mailing Address (Street/PO Box, City, State, Zip Code)		

LETTER OF INTENT
(Attach additional sheets as necessary)

Applicants Name:	**SSN/EIN:**

➔ **I am applying for a loan in the amount of $ to be repaid in years.**

Describe in detail the project for which you are requesting a loan and your future plans for the business. Include any information you consider significant in determining the merits of this request, including plans, maps, charts, drawings, reports, etc.

PROJECT FUNDING SUMMARY

SOURCE OF FUNDS: List below the source of all funds that will be invested in the project for which you are requesting financing. The total will be the total project cost. A reasonable amount of these funds needs to be from other non-state sources.

Rural Development Initiative Fund			$
Cash to be Invested by Applicant			$
Loan from Banks:	Name of Bank:		$
	Name of Bank:		$
Loans from Other Sources:	Name:		$
	Name:		$
Grants (Describe):			$
			$
			$
Other (Describe):			$
Total Project Cost			$

USE OF LOAN PROCEEDS: Describe below how the loan proceeds will be used. Attach copies of earnest money agreements, contractor's bids, contracts, invoices or other documentation to verify these uses. Total must equal loan amount requested. If your loan is approved, you will need to provide documentation to verify the total project cost.

Use:	**Amount**
	$
	$
	$
	$
Total Loan Requested	$

USE OF FUNDS FROM OTHER SOURCES: Describe below how you will use funds from other sources to complete your project. Attach copies of earnest money agreements, contractor's bids, contracts, invoices or other documentation to verify these uses. The total of these funds and the loan proceeds listed above must equal the Total Project Cost listed under Sources of Funds.

Use:	**Amount**
	$
	$
	$
	$
Total Use of Funds From Other Sources	$

BUSINESS PROFILE

BUSINESS INFORMATION:

1	When was this business established?			
2	List below all owners and their percent of ownership (please add additional sheets if necessary). Ownership total must equal 100%. All individuals owning 20% or more of the business must complete an individual financial statement and will be required to sign loan documents.			
	a			% of ownership
	b			% of ownership
	c			% of ownership
	d			% of ownership
3	List subsidiaries and/or affiliated companies. Explain trade and financial interrelationships of applicant and such subsidiaries and/or affiliates:			
	a		Explanation:	
	b		Explanation:	
4	What are the principle products or services your business provides?			
5	Attach a copy of your business plan or provide information relating to markets, your marketing plan, potential customers' cash flow analysis, etc.			
6	Attach personal resumes of applicants and key managers of the business.			

JOB INFORMATION: Loans made under this program must result in the creation or retention of jobs within an eligible area. Please provide the job related information listed below.

1	If this loan is approved, will jobs be retained that would have otherwise been lost?		Yes	No
2	If "yes" to question number 1, how many jobs will be retained?			
3	If this loan is approved, will new jobs be created?		Yes	No
4	If "yes" to question number 3, how many jobs will be created?			

FINANCIAL STATEMENT (INDIVIDUAL)

Name (Last, First, M.I.)	Social Security Number:	Date:

Mailing Address (Street/PO Box)	City:	State:	Zip Code

The undersigned makes the following statement of financial condition as of _____ day of _____ 20 _____.

ASSETS		LIABILITIES		
			Monthly Payments	Balance Owing
Cash in Bank	$	Real Estate (Schedule 3)	$	$
Cash on Hand		Notes Payable (Schedule 4)		
Notes/Accounts Receivable (Schedule 1)		Accounts Payable		
U.S. Bonds or Notes		Other Liabilities		
Mortgages & Contracts (Schedule 1)				
Securities (Schedule 2)				
Value of Real Estate Owned (Schedule 3)				
Automobiles		Credit Cards		
Personal Property				
Other Assets (Itemize)				
		Total Monthly Payments	$	$
TOTAL ASSETS	$	TOTAL LIABILITIES		$

CONTINGENT LIABILITIES

☐ Yes ☐ No	Are you a co-maker, endorser, or guarantor on any loan or contract?	If "yes," to whom?	Amount $
☐ Yes ☐ No	Are there any unsatisfied judgments or collections against you?	If "yes," attach letter of explanation.	Amount $
☐ Yes ☐ No	Have you filed for bankruptcy in the last 14 years?	If "yes," attach letter of explanation.	Year

Personal Living expenses and Other Obligations (Child Support, Alimony, etc.)	Amount
	$
	$
	$
	$

FINANCIAL STATEMENT (INDIVIDUAL)
SCHEDULES 1-4

SCHEDULE NO. 1: NOTES RECEIVABLE/ACCOUNTS RECEIVABLE, MORTGAGES & CONTRACTS OWNED

Description	Name of Debtor	Original Balance	Present Balance	Monthly Payment	Amount Past Due

SCHEDULE NO. 2: SECURITIES

# of Shares	Description	To Whom Pledged	Market Value	Cost	Income Received Last Year

SCHEDULE NO. 3: REAL ESTATE OWNED

Description & Location (Street, City, State)	Date Acquired	Cost	Current Assessed Value	Mortgages					
				Name & Address of Bank	Current Market Value	Original Balance	Present Balance	Payment Amount	
								Monthly	Annual

Is any real estate being purchased on a contract of sale? ☐ Yes ☐ No If so, which one?

From whom:

SCHEDULE NO. 4: NOTES PAYABLE (Do Not Include Mortgages Listed in Schedule 3)

Name & Address of Banks	Collateral	Date Incurred	Original Amount	Present Amount	When Due	Payment Amount	
						Monthly	Annual

Have you ever received a loan from the state? ☐ Yes ☐ No If yes, please complete the following:

Loan Number	Loan Type	Date Received	Paid in Full	
			☐ Yes	☐ No
			☐ Yes	☐ No
			☐ Yes	☐ No

FINANCIAL STATEMENT (BUSINESS)

Name	SSN/EIN:	Date:

Mailing Address (Street/PO Box)	City:	State:	Zip Code:

The undersigned makes the following statement of financial condition as of _____ day of _____, 20__.

ASSETS		LIABILITIES		
			Monthly Payments	Balance Owing
Cash in Bank	$	Real Estate (Schedule 3)	$	$
Cash on Hand		Notes Payable (Schedule 4)		
Notes/Accounts Receivable (Schedule 1)		Accounts Payable		
Less: Reserve for Bad Debts		Employer Taxes Payable		
U.S. Bonds or Notes		Other Taxes Payable		
Mortgages & Contracts (Schedule 1)		Other Liabilities (Itemize)		
Securities (Schedule 2)				
Value of Real Estate Owned (Schedule 3)				
Machinery, Furniture & Fixtures				
Less: Depreciation				
Prepaid Expenses				
Other Assets (Itemize)				
		Total Monthly Payments	$	$
TOTAL ASSETS		TOTAL LIABILITIES		$

CONTINGENT LIABILITIES

☐	Yes	Are you a co-maker, endorser, or guarantor on any loan or contract?	If "yes," to whom?	Amount $
☐	No			
☐	Yes	Are there any unsatisfied judgments or collections against you?	If "yes," attach letter of explanation	Amount $
☐	No			
☐	Yes	Have you filed for bankruptcy in the last 14 years?	If "yes," attach a letter of explanation	Year
☐	No			

Other Obligations:	Amount
	$
	$
	$
	$
	$
	$

FINANCIAL STATEMENT (BUSINESS)
SCHEDULES 1 - 4

SCHEDULE NO. 1: NOTES RECEIVABLE/ACCOUNTS RECEIVABLE, MORTGAGES & CONTRACTS OWNED

Description	Name of Debtor	Original Balance	Present Balance	Monthly Payment	Amount Past Due

SCHEDULE NO. 2: SECURITIES

# of Shares	Description	To Whom Pledged	Market Value	Cost	Income Received Last Year

SCHEDULE NO. 3: REAL ESTATE OWNED

Description & Location (Street, City, State)	Date Acquired	Cost	Current Assessed Value	Mortgages					
				Name & Address of Bank	Current Market Value	Original Balance	Present Balance	Payment Amount	
								Monthly	Annual

Is any real estate being purchased on a contract of sale? ☐ Yes ☐ No If so, which one?

From whom:

SCHEDULE NO. 4: NOTES PAYABLE (Do Not Include Mortgages Listed in Schedule 3)

Name & Address of Bank	Collateral	Date Incurred	Original Amount	Present Amount	When Due	Payment Amount	
						Monthly	Annual

Have you ever received a loan from the state? ☐ Yes ☐ No If yes, please complete the following:

Loan Number	Loan Type	Date Received	Paid in Full	
			☐ Yes	☐ No
			☐ Yes	☐ No
			☐ Yes	☐ No
			☐ Yes	☐ No

COLLATERAL

All loans must be adequately secured. The loan amount may not exceed the value of the collateral equity securing the loan. Please list below the collateral you are offering. You must also indicate the method used to value this collateral and include supporting documentation such as appraisals, assessment notices, opinions of value or invoices, bids or other documentation to support cost valuations.

EXAMPLE:

Collateral Description	Value	Maximum Collateral %	Collateral Value	Existing Liens	Adjusted Value
Land	$50,000.00	85%	$42,500.00	$10,000.00	$32,500.00
Building	$100,000.00	85%	$100,000.00	0	85,000.00
Equipment	$50,000.00	50%	$50,000.00	0	$25,000.00
Vessel	$100,000.00	75%	$100,000.00	0	$75,000.00
Total Loan Value			$292,500.00		$217,500.00

List Collateral:

Collateral Description	Value	Maximum Collateral %	Collateral Value	Existing Liens	Adjusted Value
Total Loan Value			$		$

ACTUAL STATEMENT OF PROFIT & LOSS

Applicant's Name:		SSN/EIN:
For the Period Beginning: (Must be within last 12 months)		And Ending
Gross Receipts:		$
Cost of Goods Sold:		
Beginning Inventory (If Applicable)	$	
Add: Purchases		
Less: Ending Inventory		
Total Cost of Goods Sold		(-)
GROSS PROFIT:		$
OPERATING EXPENSES:		
Proprietor's or Officer's Salary	$	
Salaries to Employees	$	
Employee Expenses	$	
Payroll Taxes	$	
Fuel	$	
Electricity	$	
Telephone	$	
Automobile Expenses	$	
Rent or Lease Payment	$	
Office Supplies	$	
Maintenance & Repairs	$	
Dues & Subscriptions	$	
Travel Expenses	$	
Entertainment	$	
Professional Services	$	
Taxes & Licenses	$	
Insurance	$	
Advertising & Promotion	$	
Bad Debts	$	
Other	$	
	$	
	$	
	$	
Total Operating Expenses		(-)
OPERATING INCOME		$
OTHER EXPENSES:		
Depreciation	$	
Interest	$	
Total Other Expenses		(-)
OTHER INCOME:		
	$	
	$	
	$	
Total Other Income		(+)
TOTAL NET INCOME		$

Estimate all income and expenses for the 12 month period after receiving loan

PROJECTED STATEMENT OF PROFIT & LOSS

Applicant's Name:		SSN/EIN:
For the Period Beginning:		And Ending
Gross Receipts:		$
Cost of Goods Sold:		
Beginning Inventory (If Applicable)	$	
Add: Purchases		
Less: Ending Inventory		
Total Cost of Goods Sold		(-)
GROSS PROFIT:		$
OPERATING EXPENSES:		
Proprietor's or Officer's Salary	$	
Salaries to Employees	$	
Employee Expenses	$	
Payroll Taxes	$	
Fuel	$	
Electricity	$	
Telephone	$	
Automobile Expenses	$	
Rent or Lease Payment	$	
Office Supplies	$	
Maintenance & Repairs	$	
Dues & Subscriptions	$	
Travel Expenses	$	
Entertainment	$	
Professional Services	$	
Taxes & Licenses	$	
Insurance	$	
Advertising & Promotion	$	
Bad Debts	$	
Other	$	
	$	
	$	
	$	
Total Operating Expenses		(-)
OPERATING INCOME		$
OTHER EXPENSES:		
Depreciation	$	
Interest	$	
Total Other Expenses		(-)
OTHER INCOME:		
	$	
	$	
	$	
Total Other Income		(+)
TOTAL NET INCOME		$

EXPLAIN HOW YOU MADE THE ABOVE PROJECTIONS ON THE NEXT PAGE

Estimate all income and expenses for the 12 month period after receiving loan

EXPLANATION OF PROJECTED STATEMENT OF PROFIT & LOSS

AUTHORIZATION TO OBTAIN CREDIT AND/OR RELEASE INFORMATION

I authorize the Division of Economic Development to obtain information from, or release any information contained in my loan application and attachments to the following agencies:

U.S. Department of Labor
U.S. National Marine Fisheries Service
U.S. Coast Guard
Alaska Department of Fish and Game
Alaska Commercial Fisheries Entry Commission
Alaska Child Support Enforcement Division
Alaska Permanent Fund Dividend Division
Alaska Department of Public Safety
Alaska Post Secondary Education
Alaska Division of Motor Vehicles

I further authorize any individual or institution to release credit information concerning me to the Division of Economic Development. This authorization is given to enable the Division of Economic Development to evaluate my loan request. Verification may be obtained from any source named in this application and from any credit-reporting agency. I understand additional information may be requested as part of the quality control program at any time during the lending process.

It is understood that a photocopy of this form will serve as authorization.

Applicant's Signature:	Co-Applicant Signature:
Please Print Name:	Please Print Name:
Social Security Number:	Social Security Number
Date:	Date:

OATH

I understand and agree that if I submit any false, inaccurate, or incomplete information in this application and attachments, I will be subject to the following:

My application will be denied.

If I receive a loan based on the false, inaccurate, or incomplete information, and this information is disclosed in the future, the loan will be canceled and immediately payable.

I certify under penalty of perjury that all the information provided in this application and attachments is true, accurate and complete. I am aware that the maximum penalty for perjury, a Class B felony under AS 11.56.200(c), is a fine of up to $50,000 (AS 12.55.035(b)(2)) and imprisonment for up to 10 years (AS 12.55.125(d)).

Applicant's Signature:	Date:
Applicant's Signature:	Date:

Acknowledgment

State of Alaska)
) ss.
_____ Judicial District)

The foregoing instrument was acknowledged before me this _____ day of _____, 20 _____

By (Name of person(s) who acknowledged): _____

APPLICANT'S PRINTED NAME(s)

_____
Notary Public/Postmaster

My Commission Expires: _____

If you become aware of inaccurate or incomplete information which is contained in your application, you should submit a written request to the Director of the Division of Economic Development which contains the following information:

A description of the challenged information

Changes necessary to make the information accurate or complete

Your name and address