Millvale Borough Revolving Loan Fund Application Process

1: Letter of Intent

Businesses interested in applying for a MRLF loan must first submit a letter of intent to the Borough of Millvale. The following information must be included in the letter of intent:

- Name and address of the business, and the contact person who can answer questions regarding the letter of intent.
- The number of current full-time employees and the projected number of jobs to be created or retained within 5 years.
- A description of what the business does.
- Whether the business is a start-up or the number of years, in which the business has been in operation.
- Whether the business is located in or will locate in an abandoned or underutilized building or site.
- Whether the business is owned and operated by a person of an ethnic minority group. Ethnic minority groups include:
    - » African Americans – persons having origins from any of the Black groups of Africa, or any of the original peoples of the Cape Verde Islands.
    - » Hispanic Americans – persons having origins from one or more of the Spanish speaking peoples of Mexico, Puerto Rico, Cuba, Central or South America or the Caribbean Islands.
    - » Native Americans – persons having origins from one or more of the original peoples of North America and who are recognized as an Indian tribe or tribal organization.
    - » Asian-Pacific Americans – persons having origins from one or more of the original peoples of the Far East, Southeast Asia or the Pacific Islands, including China, Japan, Korea, Samoa and Philippine Islands.
    - » Indian Americans – persons whose origins are from India, Pakistan, and Bangladesh.

- Identify the source and amount of the funds required to match the requested MRLF loan.
- If applicable, provide the business's gross sales for the most recently completed tax year.
- Describe the business's impact on Millvale or the community in which it is currently located, using the following as a guide:
    - » Does the business complement existing businesses in Millvale or the current community? If so, how?
    - » Will the business fill a void for products or services not currently offered in Millvale?

2: Application Fee

$200 (one time, non-refundable) Processing and comprehensive business report fee. Applicants may request a copy of the comprehensive business report. All requests must be in written form, addressed to; Millvale Loan Committee, 501 Lincoln Avenue, Millvale, PA 15209. Requests will be accepted within 30 days of official loan notification. Requests after 30 days will not be processed.

3: Application Instructions

The applicant must utilize the MRLF Application.

- The MRLF Application can be accessed at www.millvalepa.com.
- For assistance in completing the application, please contact Eddie Figas at 412-821-2777 or e-mail: efigas@millvaleboro.com

4: Application Submission and Approval Procedure

- The Borough of Millvale will review each application in the order received.
- The Borough of Millvale will formally notify the applicant of its decision to approve or reject a loan application within 30 days of receipt of a complete loan application.
- Before The Borough of Millvale will authorize disbursement of loan funds, the business must confirm:
    - » That all other sources of funding will be in place at the time of closing.
    - » That the use of all funds remains as presented in the project application.
    - » That there is no material changes to collateral or other terms and conditions of the loan as previously approved by The Borough of Millvale.
    - » Whether the loan will close into an escrow account.
    - » The FEIN and Social Security numbers of the business and all guarantors.
- Any material changes in the project application, collateral, or terms must be reviewed and approved by The Borough of Millvale and its counsel.
- Loans will be disbursed at the loan closing between The Borough of Millvale and the business. Loan proceeds may be disbursed to the business or placed into an escrow account with a commercial lending institution.
- Regardless of how disbursement is made, interest will accrue on the loan from the date of closing.
- Unless otherwise agreed to by The Borough of Millvale, regular amortization payments of principal and accrued interest on the loan will begin immediately upon closing, whether or not the loan is disbursed, in whole or in part, into escrow.
- Unless otherwise agreed to by The Borough of Millvale, the first payment of principal and interest will be due the first day of the second calendar month following the calendar month in which closing occurs and will include a lump-sum payment of the interest that has accrued from the date of the check issued for

closing. Thereafter, payments of principal and interest will be due the first day of the month.

- No escrow account may extend beyond 12 months without the prior written consent of The Borough of Millvale.

5: Application Evaluation and Criteria

The Borough of Millvale will evaluate the credit worthiness of a business to assess its ability to repay the MRLF loan. In addition, the application will be evaluated on the following criteria:

- Number of jobs created or retained.
- The type of product or service and the need for that product or service in Millvale.
- The impact on other businesses in Millvale.
- The likelihood of success of the venture.
- The impact on unused or underutilized property.
- The amount of matching investment.
- The age and size of the business.

6: Limitations and Penalties

Failure to meet any of the terms or conditions of the loan may result in an increase in the interest rate to a rate not exceeding 2% above the current prime interest rate on the outstanding principal for the remainder of the loan. Imposition of any penalty is at the sole discretion of The Borough of Millvale.

- Any material misrepresentation in the letter of intent or the application, or the use of loan funds for ineligible activities, may be cause for rejection of an application or for calling a MRLF loan in default. In addition, the matter may be referred to the appropriate authorities for criminal investigation.
- Businesses may prepay the MRLF loan at any time without financial penalty.

7: Contact Information

Program inquiries should be directed to:

The Borough of Millvale
Community & Economic Development
MRLF
501 Lincoln Avenue
Millvale, PA 15209
Phone: (412) 821-2777
Fax: (412) 821-2717
E-mail: efigas@millvaleboro.com