



**Heart of Texas
Economic
Development
District, Inc.**

Heart of Texas Economic Development District, Inc. Revolving Loan Fund Program (HOTEDD RBG RLF) Application

Brought to you through a partnership with
USDA-Rural Development, Rural Business Enterprise Grant Fund

CONTACT INFORMATION

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Heart of Texas Economic Development District, Inc.
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United States Department of Agriculture

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PURPOSE

General Purpose

The purpose of the Heart of Texas Economic Development District, Inc. Revolving Loan Fund (HOTEDD RLF) is to provide loans that encourage the growth and retention of small businesses in the rural Heart of Texas Region. In addition, HOTEDD RLF funds may also provide loans to applicants interested in starting a small business in the rural HOTEDD region.

Specifically, the HOTEDD RBEG RLF seeks applications from qualified small and emerging businesses in the rural Heart of Texas Region. Specifically, Bosque, Falls, Freestone, Hill, Limestone Counties; and rural McLennan County (McLennan County communities not contiguous to the City of Waco).

Interest rates will reflect level of risk associated with loan.

Specific Purpose/Major criteria: Ineligible for Traditional Funding

- USDA Requires that an applicant business must be ineligible for traditional funding. Put another way, the HOTEDD RBEG RLF exists to serve as gap financing and is prohibited from competing with banks or other traditional lenders. **Proof of ineligibility for traditional funding is required.**
 - The HOTEDD RBEG RLF will consider projects in which we are the sole source of funds, but only if there is enough collateral present to secure the loan, and all traditional avenues have been exhausted. The business owner must provide proof of ineligibility for traditional funding (typically this is in the form a rejection letter from a bank/lender in response to a previous application for funds for the proposed project).
- OR
- The HOTEDD RBEG RLF can participate in projects in which our funding is necessary to secure bank/lender participation.
 - Often our loans are used as part of a funding package. Example: Small business owner's funds/collateral + bank/traditional lender + loan or grant from local economic development corporation + HOTEDD Revolving Loan Funds.
- Funds cannot be committed by HOTEDD to applicant to fund a part of a project which is dependent on other funding unless there is a firm commitment in writing from the other funding source to ensure completion of the project.

SOURCE OF FUNDING

The HOTEDD RBEG RLF was realized through grants awarded by the United States Department of Agriculture-Rural Development, Rural Business Enterprise Grant Program; and matching funds from the Heart of Texas Economic Development District, Inc.

TIMING

Applications for RLF funds will be accepted on a continual basis. Applicants who choose to apply in times when inadequate funds exist for extending a loan will be informed of the lack of funds.

PROJECT PRIORITY

Applications will be reviewed and funded (if eligible) based on the following criteria:

- a) Applications with the greatest anticipated economic impact for the community shall receive greatest priority. Criteria to be considered in determining economic impact include number of jobs created or saved, wage scale of employees, benefits paid to employees.
- b) Applications of equal economic impact will be funded in date order of application.
- c) In accordance with Federal law and U.S. Department of Agriculture policy, the Loan Committee will not discriminate on the basis of race, color, national origin, sex, religion, age, disability, or marital or family status.

ELIGIBILITY REQUIREMENTS CHECKLIST

Loan funds may be used for the following project categories ONLY:

- Working capital
- Startup operating cost
- Machinery/equipment
- Acquisition and development of land, easements & rights-of-way
- Construction, conversion, enlargement, repairs or modernization of building(s) or plant(s), including façade repairs
- Access streets and roads
- Parking areas
- Utilities
- Pollution control and abatement facilities
- Technical assistance for private business enterprises.
- Refinancing of construction financing may also be considered
- Applicants from sectors other than agriculture are accepted, but care will be given as not to harm existing retail/service business.

Small or Emerging business

Applicants receiving financing must be a small or emerging for profit or not-for-profit business according the USDA Rural Development definition:

- 50 employees or fewer, and**
- less than \$1 million first full calendar year* projected gross revenue.** (*first full calendar year that funding will be used, i.e. if loan is approved in October, projected gross revenue for the following full calendar year must be less than \$1 million), put another way NOT the first 12 month period, the first full calendar year. *(clarified & updated 10/8/2015).*

- Located in the Rural Heart of Texas Region.** The business must be located in a rural area as defined by USDA (RBEG Certification of Project), that is, within the Heart of Texas region, specifically Bosque, Falls, Freestone, Hill, Limestone; and rural McLennan County (McLennan County communities that are not contiguous to the City of Waco). On a case by case basis, the Loan Committee may waive this requirement and provide loan funds to a business located outside the region if the committee determines doing so will have a positive economic impact on the community to be assisted with RLF funds.
- Job Creation/Retention.** The project will **create or retain one full-time job during the next 5-year period for each \$10,000 in loan funding.**
- 51% of the interest** in the business (applicant) must be U.S. citizens certifiable by HOTEDD and USDA.
- DUNS # must be included.** *HOTEDD and USDA-Rural Development cannot accept applications without a DUNS #.*
- HOTEDD RLF's financial assistance is necessary to the viability of the project:** That is, the loan must be necessary in order to make the project feasible, thus the projects financial requirements cannot be met from owner resources or a commercial financial institution. **The HOTEDD RBEG RLF can only participate in projects in which our funding is necessary to secure bank/lender participation, or the business owner has proof of ineligibility for traditional funding.**
- Up-to-date on all federal, state & local taxes**
- All loans must **comply with Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions (SF Form AD-1048).**
- All Equal Opportunity and Non-discrimination Requirements must be met and recorded as required by the USDA.**
- Heart of Texas Economic Development District, Inc. (HOTEDD) & Heart of Texas Council of Governments (HOTCOG) employees, board members or immediate family members are ineligible for funding.**

KEY REVIEW CONSIDERATIONS

Several factors come under consideration in the review process relating to the basic credit decision. Applicants must be prepared to:

- ✓ Demonstrate creditworthiness;
- ✓ Prove repayment ability;
- ✓ Provide an acceptable level of personal equity;
- ✓ Pledge adequate collateral to secure the loan (may be subordinate position to bank and/or lender);
- ✓ Establish strong management capability;
- ✓ Personally guarantee the loan;
- ✓ The HOTEDD Revolving Loan Fund loans leverage other private investment, not just public funds.

In addition to these credit factors, the nature of the HOTEDD Revolving Loan Fund dictates additional key review considerations. These factors are critical due to federal regulations and the high demand for limited funds. These criteria will determine the level of the HOTEDD Revolving Loan Fund's financial participation.

LOAN TERMS AND CONDITIONS

The HOTEDD RLF Committee may request that the proposed project be presented to HOTEDD RLF Committee and/or the RLF Loan Advisory Committee by the prospective business owner or her/his representative.

Loan requests will be reviewed for a minimum of \$2,000, however, the HOTEDD RLF Committee may authorize loans smaller than the above value on a case by case basis.

The HOTEDD RLF can participate to a maximum amount of \$100,000 (if the tax base and/or job creation is substantial the maximum amount may exceed \$100,000 at the discretion of the HOTEDD RLF Committee and the HOTEDD Board of Directors).

Loans can be amortized over the lesser of twenty years or the life of the security. Terms may vary for projects involving real estate. The HOTEDD RLF Committee will recommend the term, and the HOTEDD Board of Directors will approve the term.

The interest rate on a HOTEDD RLF's loan will be determined by current market interest rates (currently ranging from 4-8%) and the determined associated risk of the project. The HOTEDD RLF Committee will recommend the interest rate, and the HOTEDD Board of Directors will approve the interest rate.

Security shall consist of the best lien available on real estate, equipment, inventory, etc. The discounted value of the security (using typical lender discount rates) shall equal or exceed the value of the loan. The HOTEDD RLF Committee may require personal guarantees and/or co-signors.

HOTEDD RLF loan funds will not be used to pay off any previous debt. Refinancing construction financing is an exception to this rule.

If the business relocates outside of the Heart of Texas Region, the Loan Committee may require immediate payoff of the loan.

APPLICATION PROCESS

NOTE TO APPLICANT: This entire process typically takes about 90-120 days.

1. Please fill out pages 8-21 of this packet. In addition, please attach a color photocopy of your current Texas Driver's License.
2. Submit applications via mail to The Heart of Texas Economic Development District, Inc., RLF Committee, c/o Kathy C. Trimmer, The Heart of Texas Council of Governments (HOTCOG), 1514 South New Road, Waco, TX 76711.
3. HOTEDD Revolving Loan Fund Application Review Process:
 - 1) Application are reviewed for completeness and legibility. Incomplete applications, and applications that are not legible, will be returned to the applicant(s).
 - 2) Following an eligibility review, applicants will be notified regarding HOTEDD RLF Policy and USDA-Rural Development eligibility. An applicant may be contacted for clarification and/or additional information in order to assure eligibility before application will be considered by the HOTEDD RLF Committee.
 - 3) Additionally, in certain situations, applicants may be asked to seek business planning assistance before the application will be fully considered; or, applicant may be referred to a more appropriate program if the project is determined to be ineligible.
 - 4) The HOTEDD RLF Committee will conduct a review within thirty days of receipt of a complete and eligible application. At that time the applicant's credit report will be generated and reviewed.
 - 5) **A request for additional documentation and/or forms** may be sent the applicant at the conclusion of the preliminary eligibility review, and/or after the HOTEDD RLF Committee completes its review. As part of this process, the HOTEDD RLF Committee may require written feasibility studies, business plans, market studies, etc., as appropriate for the business type.
 - 6) Within 30 days of receipt of any requested documents, the HOTEDD RLF Committee will conduct an additional financial review. Applications are subsequently submitted to the HOTEDD RLF Loan Advisory Committee for their recommendations.
 - 7) After review of the HOTEDD RLF Loan Advisory Committee recommendations, the HOTEDD RLF Committee will make a presentation and recommendation to the HOTEDD Board of Directors for approval, additional information requests, or denial.
 - 8) Applications approved by the HOTEDD Board of Directors are then presented to the United States Department of Agriculture for approval or denial.
4. A \$100 application fee shall be submitted at the time of final approval. Costs associated with processing the application (e.g. credit report fees, UCC and lien search fees, costs associated with filing security documents and filing legal documents, etc.) shall be the responsibility of the applicant. **The RLF Committee retains the right to waive or amend this fee structure.**

For office use only:

- | | |
|---|---|
| <input type="checkbox"/> Credit report date pulled _____ | <input type="checkbox"/> Date submitted to USDA _____ |
| <input type="checkbox"/> RLF Committee meeting date _____ | <input type="checkbox"/> USDA Approval Date _____ |
| <input type="checkbox"/> Advisory Committee Review date _____ | |
| <input type="checkbox"/> HOTEDD Board Approval Date _____ | |

APPLICATION DOCUMENT CHECKLIST

Instructions: All items listed below are required. If not included in the application packet, the application will be returned to applicant. Please check each box and initial indicating that you have included each and all required documents with your application.

Required Information

- _____ Documentation of **proof of ineligibility for traditional funding/financial need**. Applicant must submit a letter from a bank and/or lender clearly stating either that:
 - additional financial participation from a third party is required for the project to be funded by said bank/lending institution, **OR**
 - the request for funding for this project has been denied.

IF YOU CANNOT PROVIDE THE DOCUMENTATION DESCRIBED ABOVE, YOU ARE NOT ELIGIBLE FOR THE HOTEDD RLF LOAN PROGRAM: PLEASE STOP HERE. DO NOT COMPLETE/SUBMIT APPLICATION.

- _____ A color photocopy of the Texas driver's license or Texas State ID of each person listed on this application. DL or ID must show current correct address where applicant resides.
- _____ A completed application
- _____ Resume(s) and/or business experience summary (**each owner**)
- _____ For the past 3 years:
 - Financial Statements
 - Profit and Loss Statement
 - Balance Sheet
 - Tax Returns
- _____ Business Information Narrative and/or Business/Marketing Plans
Please write a brief summary of your business/project – please type on a separate sheet of paper.
 - Describe the current state of your business (what good/service do you provide, what are your annual sales, obstacles to growth, etc.)
 - Describe the reasons for undertaking this project. Make the case for why you feel your project is particularly deserving of funding through the Revolving Loan Fund.
 - Will your project fill an existing gap in goods or services in your community, county, or region?
 - Will your project attract new consumer spending to in your community, county, or region?
 - Will your project complement the existing business mix in your community, county, or region?
 - Please provide any marketing plan for the good(s)/service(s) that the business will provide.
- Documentation of project costs – estimates, purchase orders, appraisals, etc. (Please attach)

Required Forms

The forms listed below are included in this application packet, see pages 12-22.

- FORM A – Applicant Project Team
- FORM B – Applicant Survey (**for each owner**)
- FORM C – Bankruptcy, Felony & Litigation History (**for each owner**)
- FORM D – Credit Check Authorization (**for each owner**)
- FORM E – Equal Opportunity And Nondiscrimination Requirements
- FORM F – Declarations Form for USDA
- FORM G – Declarations Form for HOTEDD
- USDA Form AD-1048 Certification Regarding Debarment, Suspension, Ineligibility & Voluntary Exclusion - Lower Tier Covered Transactions & Instructions
- USDA Form RD 400-4 Assurance Agreement

Please answer all questions and print clearly. Incomplete or illegible applications will not be reviewed.

Applicant Type (Circle One): Partnership Corporation Sole Proprietorship LLC Other_____

Borrower Name/Primary Contact & Title: _____

Social Security #:_____ **Date of Birth:** _____ **TX Drivers License #** _____

Home Address: _____

Legal Business Name: _____

Physical Address of Business: _____

Mailing Address of Business: _____

Email address(es): _____

Phone number(s): _____

Names of all owners and partners: _____

Business Tax ID # or Tax payer ID # _____ **Unemployment ID#** _____

DUNS # (required) _____

Start-up or Existing Business? _____ **Date Business Was Established** _____

Projected Annual Gross Revenue (1 yr.) \$ _____

Current Number of Full-time Employees _____ **Current Number of Part-time Employees** _____

Average total hours worked by part-time employees _____

At least 51% Owned by U.S. Citizens or Legal Residents of U.S.? YES _____ NO _____

Up-to-date on all federal, state & local taxes? _____ YES _____ NO

Specific Loan Purpose (please check box(es):

- | | |
|--|--|
| <input type="checkbox"/> Working capital | <input type="checkbox"/> Technical assistance for private business enterprises |
| <input type="checkbox"/> Machinery/equipment | <input type="checkbox"/> Access streets & roads |
| <input type="checkbox"/> Acquisition and development of land, easements, & rights-of-way | <input type="checkbox"/> Parking areas |
| <input type="checkbox"/> Construction | <input type="checkbox"/> Utilities |
| <input type="checkbox"/> Conversion, enlargement, repairs or modernization of a building(s), including façade repairs or landscaping | <input type="checkbox"/> Pollution control & abatement facilities |
| | <input type="checkbox"/> Startup operating cost |

Please Provide a Brief Description of Applicant's Business: _____

Brief Description of specific project for which funding is being requested and the time frame for project:

Applicant Loan Funds Plan Discussion

Total Project Cost: \$ _____ Loan Amount Requested: \$ _____

What collateral are you proposing to pledge? _____

1. If your project is funded,
how many **new full-time employment positions** will be created as a result of this project? _____
how many new **part-time employment positions** will be created as a result of this project? _____
how many **full-time and part-time jobs will be retained?** Full Time: _____ Part-Time: _____

2. Provide details on total project costs and sources of financing.

a) What, specifically, will you purchase with the loan funds? _____

- b) **List Documents Attached:** All costs associated with the project should be supported. Be sure to attach third party quotations, estimates, appraisals, purchase orders, appraisals, specs, or similar documentation as appropriate, or other documentation to show you have a firm idea of the financing needed to undertake your project. (please attach to back of this application).

- | | |
|----------|-----------|
| 1. _____ | 6. _____ |
| 2. _____ | 7. _____ |
| 3. _____ | 8. _____ |
| 4. _____ | 9. _____ |
| 5. _____ | 10. _____ |

3. How will your project benefit your community?

4. How did you learn about the HOTEDD RLF Program? _____

APPLICANT, PLEASE COMPLETE THE FOLLOWING TABLES:

Table 1: JOB CREATION EMPLOYMENT PLAN

Instructions: Please complete this table for the new employment positions this project will create at your business. Include extra sheet of paper if needed.

(A) Job Title	(B) Full-time or Part-time	(C) # Hours per week if part-time	(D) Annual or Hourly Wages	(E) Anticipated date of hire	(F) Skills Required

Instructions

- Column A:** Insert the job title for each position that you will create. If you will create two of the same position, list the job title twice so that you can provide the other information required for each individual position you will create.
- Column B:** Indicate if job is full or part-time.
- Column C:** If the job is part-time, indicate how many hours per week the employee will work.
- Column D:** Write in the hourly wage or annual salary the job will pay.
- Column E:** Write in the anticipated date you will hire this employee.
- Column F:** Describe any special skills or training that is required for the job. If no special skills or training are required or if you will provide on-the-job training, write "none required" in the table.

Table 2: JOB RETENTION EMPLOYMENT PLAN (IF APPLICABLE)

Instructions: Please complete for the employment positions this project will save from layoffs at your business. Include extra sheet of paper if needed.

(A) Job Title	(B) Full-time or Part-time	(C) # Hours per week if part-time	(D) Annual or Hourly Wages	(E) Anticipated date of layoff	(F) Skills Required

Instructions

- Column A:** Insert the job title for each position that would be saved if this project was funded. If you will save two of the same position, list the job title twice so that you can provide the other information required for each individual position.
- Column B:** Indicate if job is full or part-time.
- Column C:** If the job is part-time, indicate how many hours per week the employee works.
- Column D:** Write in the hourly wage or annual salary the job pays.
- Column E:** Write in the anticipated date you will lay off this employee.
- Column F:** Describe any special skills or training that is required for the job.

TABLE 3: PROJECT COSTS AND FINANCING SOURCES

EXAMPLE (Please fill out the form below using this example)

XYZ COMPANY REVOLVING LOAN FUND TABLE

<i>Sources</i>	<i>Uses</i>	
Equity	Building and Land	\$ 49,000
Bank Loan + Line of credit with Vendor	Machinery, Equipment	\$ 10,000 + 3,000
HOTEDD Loan	Working Capital, Start-Up Costs	\$25,000
Family Loan	Accounting Consultant	\$ 1,000
Grant & Loan from local Economic Development Corporation	Façade Improvements	\$2,500 + \$2,500
Total Funds	Total Project Cost	\$ 93,000

Instructions: Please fill in the Sources and Uses table provided below.

HOTEDD REVOLVING LOAN FUND APPLICATION: SOURCES AND USES

<i>Funding Sources</i>	<i>List of Possible Uses</i>	
	Acquisition of Land, Easements, Rights-of-Way	\$
	Machinery, Equipment,	\$
	Working Capital, Start-Up Costs	\$
	Technical Assistance	\$
	Pollution Control & Abatement Facilities	
	Construction, conversion, enlargement, repairs or modernization (including façade repairs) of building(s) or plant(s)	
	Access streets and roads	
	Parking areas	
	Utilities	
	Refinancing of construction financing	
	Other	
	Other	
Total Funds	Total Project Cost	\$

FORM A: APPLICANT PROJECT TEAM

Instructions: Please provide the following information for the person(s) working with you on this project.

Participating Bank (if applicable): _____
Contact Name & Title _____
Address _____
Phone _____

Participating Lender (if applicable): _____
Contact Name & Title _____
Address _____
Phone _____

Legal Counsel (if applicable): _____
Contact Name & Title _____
Address _____
Phone _____

Accountant (if applicable): _____
Contact Name & Title _____
Address _____
Phone _____

Application Assistance Provided By (if applicable): _____
Contact Name & Title _____
Address _____
Phone _____

Other: _____
Contact Name & Title _____
Address _____
Phone _____

Other: _____
Contact Name & Title _____
Address _____
Phone _____

FORM B: APPLICANT SURVEY

Instructions: Make copies for each business owner. Each business owner must submit this page individually. Make copies of this form if needed.

In order for HOTEDD to be in compliance with Federal Law, we must gather and maintain certain statistical data on our clients who utilize any of our programs funded with Federal Funds. We are, therefore, asking you to complete the questionnaire below.

The information regarding race, color, national origin and gender is requested in order to assure the Federal Government that HOTEDD complies with Federal Laws prohibiting discrimination on the basis of race, color, national origin or gender. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your request for services or to discriminate against you in any way, however, if you choose not to furnish this information, we are required to note your race/color/national origin/gender on the basis of visual observation or surname.

Please check the appropriate race, color, national origin and gender information below:

Racial Categories

- American Indian or Alaskan Native
- Asian
- Black or African American
- Native Hawaiian or Pacific Islander
- White
- Some other race
- Two or more races

Ethnic Categories

- Hispanic or Latino Not Hispanic or Latino

Gender

- Male Female

____ I do not wish to furnish this information.

Business Owner Signature

Print Name

Date

FORM C: Bankruptcy, Litigation and Felony History

Instructions: Make copies for each business owner. Each business owner must submit this page individually. Make copies of this form if needed.

Describe any bankruptcy history, litigation history having a material effect on the business solvency, or convicted felony activity associated with the owners, management, or officers of the business. (attach additional sheets of paper if necessary).

1. _____ Are any of the officers, owners, or management of the business presently under indictment, on parole, or probation? If yes, describe below:

2. _____ Have any of the owners, officers, or management of the business ever been charged with or arrested for any criminal offense other than a minor traffic infraction? If yes, describe below.

3. _____ Have any of the owners, officers, or management of the business ever been convicted of any criminal offense, other than a minor traffic infraction? If yes, describe below.

4. _____ Has the business, its present owners, officers, or management ever been the subject of bankruptcy proceedings? If yes, describe below.

Signature

Date

Printed Name

Title

FORM D: CREDIT CHECK AUTHORIZATION FORM

Instructions: Make copies for each business owner. Each business owner must submit this page individually. Make copies of this form if needed.

Date: _____

In connection with my application for a loan through the HOTEDD Revolving Loan Fund Program, I hereby authorize the HOTEDD RBEG RLF Committee to investigate my creditworthiness as part of the review process. The results of this credit check will remain private.

Name of Business: _____

Business Owner's Name: _____

Previous Names used (such as a maiden name): _____

Social Security #: _____ Date of Birth: _____

Current Address: _____

Previous Address (if less than one year at current address): _____

Business Owner Signature

Print Name

Date

FORM E: EQUAL OPPORTUNITY AND NONDISCRIMINATION REQUIREMENTS

Instructions: Make copies for each business owner. Each business owner must submit this page individually. Make copies of this form if needed.

Intermediaries and ultimate recipients of Federal financial assistance must comply with the following:

Title VI of the Civil Rights Act of 1964: Title VI states that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance.

Title IX of the Education Amendments of 1972: Prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance.

Section 504 of the Rehabilitation Act of 1973 as amended (29 U.S.C. 794) and 7CFR part 15b: No qualified individual with a disability, and solely by reason of their disability, may be excluded from using or participating in the benefits of any facility receiving Rural Development Business and Cooperative Programs assistance. As the recipient of USDA financial assistance, the recipient must comply with Section 504 of the Rehabilitation Act of 1973. Accessibility compliance for programs and activities are required of the intermediary or ultimate recipient.

Age Discrimination Act of 1975: Prohibits discrimination based upon age.

Other Equal Opportunity and Nondiscrimination Requirements: The recipient is reminded that it must comply with all additional Federal civil rights laws and requirements as applicable to the entity, service or program.

Construction Contracts: Contractors with contracts in excess of \$10,000 must comply with Executive Order 11246 as amended, which provides for equal employment opportunity without regard to race, color, religion, sex, and national origin. The recipient of Federal assistance will be required to sign Form RD 400-1, "Equal Opportunity Agreement," if construction contracts in excess of \$10,000 will be issued in conjunction with the receipt of Federal Funds. The contractor who expects to finance the contract with the assistance of USDA Rural Development or its agencies will be required to sign Form RD 400-6, "Compliance Statement."

Form RD 400-4, "Assurance Agreement": the intermediary and ultimate recipient must sign and agree to the conditions contained in this agreement. In accordance with Form RD 400-4, the intermediary and ultimate recipient must keep accurate records, and the intermediary must submit such information to the Agency so the Agency can ascertain that the intermediary is in compliance with this agreement. The intermediary and ultimate recipient must collect racial/ethnic and gender data of the beneficiaries (i.e., employees, Board of Director, users, tenants). The intermediary and ultimate recipient must inform beneficiaries and others of the requirements of this agreement and inform such persons of the protection which assures them against discrimination. If beneficiaries are required to complete an application for use of a facility or service that the intermediary and ultimate recipient provides, the following data must be collected by race (American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or other Pacific Islander, and White), Ethnicity (Hispanic or Latino, Not Hispanic or Latino), and sex.

Covenants: Each instrument of conveyance or deed of trust for loans is subject to Title VI of the Civil Rights Act of 1964 and shall contain a covenant running with the land, assuring nondiscrimination in the use of the facility for the period the real property is used for the same or similar purpose for which the financial assistance is extended or for so long as the purchaser owns it, whichever is longer. This applies where the loan is for improvements to real estate by the ultimate recipient.

If an ultimate recipient repays a loan in full to the intermediary and chooses to sell the property to another entity, the requirement for Compliance Reviews discontinues for the new owner. However, as stated previously, the new entity/owner is subject to Title VI if the property is used for the same or similar purpose.

Posters: The recipient will ensure that any contractor (during construction) and the recipient (during use of the facility) or municipal office will post in a public place the appropriate USDA posters, especially "And Justice for All" and "Equal Employment Opportunity is the Law." **CONSPICUOUS TO CUSTOMERS AND EMPLOYEES!**

I have read, understood, and agree to the above:

Signature

Print Name

Date

FORM F: DECLARATIONS for
USDA-Rural Development, Rural Business Development Program

Instructions: To be signed by applicant(s).

I, the undersigned, attest that to the best of my knowledge and belief, the information contained in the foregoing application is correct and true and that I am aware that the filing of a false instrument in connection with this application constitutes an attempt to defraud the HOTEDD and the United States Department of Agriculture Rural Business Enterprise Grant (RBEG) and may be a felony under the laws of the State of Texas. I authorize the HOTEDD to disclose all information submitted in connection with this application and hereby waive all claims against the HOTEDD, HOTEDD Revolving Loan Fund Committee and the HOTEDD Loan Advisory Committee with respect to this pre-application and determination of eligibility.

I, the undersigned, give to the United States Department of Agriculture (USDA) the unrestricted right to use, for any lawful purpose, any photographs taken of property in this application, which I own and/or for which I have the authority to grant such permission, and to use my name in connection therewith if it so chooses. I release and discharge USDA from any and all claims or causes of action arising from the use of such photographs, including, without limitation, claims for libel or invasion of privacy. I have read this release and understand its contents. This release is binding upon me, my heirs, successors and assigns.

I, the undersigned, attest that I understand that:

- My proposed project ("Project") must be approved by the HOTEDD Revolving Loan Fund Committee before costs are incurred.
- My proposed project must be approved by the USDA RBEG representative before costs are incurred.
- If awarded a loan, I will enter into a contract with HOTEDD based on the agreed scope of work and that the contract for assistance can be cancelled if (a) the work done is inconsistent with the agreed scope of work, (b) I am in violation of the contract, or (c) adequate hazard insurance is not maintained on my property.
- The submission of this application or any other documentation or request to the Program does not entitle me to any assistance and the Program may reject any application that is inconsistent with Program goals and policies.

Business Owner Signature

Print Name

Date

Business Owner Signature

Print Name

Date

***FORM G: DECLARATIONS for the
Heart of Texas Economic Development District, Inc. (HOTEDD)***

Instructions: To be signed by applicant(s).

“I declare that the information provided in this HOTEDD RBEG RLF Application is true and complete to the best of my knowledge. I understand that the HOTEDD has the right to verify this information and will be in contact with those individuals and institutions involved in the proposed project as well as credit references. False information, in addition to disqualifying me from any further consideration for financial assistance, may also subject me to litigation to recover *HOTEDD's* expenses related to reviewing this application and/or the costs to collect any loan balances. I understand that *HOTEDD* may release information for public purposes regarding the project, excluding any confidential financial information.”

Business Owner Signature

Print Name

Date

Business Owner Signature

Print Name

Date

Replace this page with:

USDA Form AD-1048 Certification Regarding Debarment, Suspension, Ineligibility & Voluntary Exclusion-Lower Tier Covered Transaction PAGE 1

Replace this page with:

USDA Form AD-1048 Certification Regarding Debarment, Suspension, Ineligibility & Voluntary Exclusion-Lower Tier Covered Transaction PAGE 2

Replace this page with

“USDA Form RD-400-4 Assurance Agreement”



**Heart of Texas
Economic
Development
District, Inc.**

**Please submit hard copies only!
Thank you.**

Submit completed applications to:

*Heart of Texas Economic Development District, Inc.
HOTEDD Revolving Loan Fund Committee
Attention: Dorothy F. Jackson
Heart of Texas Council of Governments
1514 South New Road, Waco, TX 76711*

--end of application--