



## Dear Nonprofit Applicant:

Thank you for visiting our website and downloading this nonprofit loan application. We look forward to working with you to find financing that best meets your organization's needs. To make this process easier, please take a moment to read the following information about the application process and paperwork.

### How does Self-Help decide if my organization qualifies for a loan?

We review the following items to decide if you qualify for a loan. If we spot weakness in one area of the application, we are willing to look for strength in another area. If we spot a weakness in more than one area, though, we may not be able to offer a loan at this time.

- Management – do you have a successful financial track record and strong, stable leadership?
- Cash flow – does your income cover your expenses? If not, you must have enough equity or net assets/fund balance to cover foreseeable losses.
- Collateral – what collateral is available to secure the loan? Collateral is especially important if your organization is not strong financially or is a start-up.
- Equity – does your organization have positive net assets/fund balance?
- Credit history – does your organization meet credit obligations responsibly?

### What forms do I submit to apply for a loan?

A checklist of items you need to submit to us is on page 2 of this package. Most of the forms you need to submit are in the attached pages. A few items we will need, such as your organization's tax returns, are **not** forms in this package. Just follow the checklist and you'll stay organized.

### What do I do when I have my application package completed?

Please mail or deliver your completed application package to the nearest Self-Help branch. Self-Help's offices and their addresses are listed below.

### What should I make sure not to forget?

Sign all forms where indicated. The items requiring your signature include the personal financial statement, the commercial loan application form, and tax returns. Also, before you mail your completed loan application package to us, make a copy of the application package to keep for yourself. We keep all application materials sent to us and cannot return submitted forms.

If you have any questions about this package, the forms, or the application process, please feel free to contact the nearest Self-Help branch.

## Our locations

Asheville:	34 Wall St., Suite 704, Asheville, NC 28801	(828) 253-5251	(800) 229-7428
Charlotte:	926 Elizabeth Ave., Suite 302, Charlotte, NC 28204	(704) 409-5900	(800) 394-7428
Durham:	301 W. Main St., PO Box 3619, Durham, NC 27702	(919) 956-4400	(800) 476-7428
Greenville:	301 S. Evans St., Suite 306, Greenville, NC 27858	(252) 752-8866	(800) 893-9669
Wilmington-Cape Fear:	1109 New Pointe Blvd., Suite 4, Leland, NC 28451	(910) 371-2034	



# Self-Help NONPROFIT LOAN APPLICATION CHECKLIST

To provide you with the most efficient service, we ask that you please submit a complete application package. Please mail or deliver your completed application package to the loan officer listed on the business card with this package. This is who will work with you on your application. (If there is not a business card enclosed, then please call a nearby Self-Help branch and ask for the loan officer's name.) If you have questions concerning application forms or materials, feel free to call your loan officer.

Make a check in the appropriate box after you have included the item in your loan package. Please be aware that your loan officer may request additional items after receiving your loan application package.

**Include these items with your loan application package**

**Check off when completed**

Signed Commercial Loan Application (enclosed)	
Signed Personal Financial Statement (enclosed) * <i>If married, submit a joint statement with your spouse.</i>	
Copy of Personal Federal Tax Returns for Most Recent 2 Years*	
Copy of Business Federal Tax Returns for Most Recent 2 Years	
Internal or Audited Financial Statements for Most Recent 2 Years (for existing organizations only)  <i>Not required for loans under \$35,000.</i>	
Current Year Internal Financial Statements Within the Last 60 Days (for existing organizations only)	
Projected Monthly Cash Flow for 12 Months  <i>A form is enclosed as a guide. You do not need to use it as long as you provide us with similar information.</i>	
Business Notes Payable Schedule (enclosed)	
Resume(s) of Key Management and a list of your Board of Directors with their affiliations	
Signed Disclosure Statement (enclosed)	
Project Budget, Plans, and Bids/Estimates from contractors for renovation/construction projects ( <i>if applicable</i> )	
Business Plan (for new organizations only)  <i>A form is enclosed as a guide. You do not need to use it as long as you provide us with similar information.</i>	

\*Nonprofit organizations may not need to provide personal guarantees for a loan depending on certain credit underwriting criteria. To determine if this is applicable to your organization, please call Self-Help.

# COMMERCIAL LOAN APPLICATION

<b>BASIC INFORMATION</b> Please tell us about your business or organization.				
Business or Organization Name			Who referred you to us?	
Street Address			City	
State	Zip Code	County	Federal Tax ID # (if incorporated)	
Type of Business		Date Started	Today's Date	
<b>Legal Structure</b> (please check one)				
<input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> Limited Liability Corporation				
<input type="checkbox"/> Legal Partnership <input type="checkbox"/> Sole Proprietorship                                      Are you thinking about changing your legal structure? Yes <input type="checkbox"/> No <input type="checkbox"/>				
Contact Person		Business Phone (    )	Home Phone (    )	E-mail
Number of employees now:			How many jobs will this loan create?	
Briefly describe your business or organization & what you plan to do with this loan:				
<b>PROJECT INFORMATION</b> Please tell us about your project and/or start-up budget.				
<b>Uses of Funds</b>			<b>Sources of Funds</b>	
Land and/or Building Purchase	\$ _____	Loan Requested                      \$ _____  Owner's Investment                      \$ _____  Other Funding Sources (specify)                      \$ _____		
New Building Construction	\$ _____			
Building Improvements	\$ _____			
Machinery and Equipment	\$ _____			
Inventory	\$ _____			
Working Capital	\$ _____			
Other _____	\$ _____			
Other _____	\$ _____			
<b>Total Project Uses</b>		\$ _____	<b>Totals should equal</b>	<b>Total Project Sources</b>
				\$ _____
<b>COLLATERAL</b> Please tell us about the assets available to secure this loan.				
Asset	Value of Asset	Loans on Asset	Address of Asset	
Property 1	\$ _____	\$ _____		
Property 2	\$ _____	\$ _____		
Inventory	\$ _____	\$ _____		
Equipment	\$ _____	\$ _____		
Accounts Receivables	\$ _____	\$ _____		
Other (please specify):	\$ _____	\$ _____		
Other (please specify):	\$ _____	\$ _____		
<b>Name(s) of Possible Co-Signer(s) for Loan Request:</b>				

**MANAGEMENT INFORMATION AND ACKNOWLEDGMENTS**

Please read the following and complete the information below.

The undersigned hereby certifies that the information contained in this application and related materials is true and correct. The undersigned hereby further certifies that the proceeds of any loan made as a result of this application will be used for business or organizational purposes only, and will not be used for personal or consumer purposes. The undersigned hereby affirms that he or she does not discriminate on the basis of race, color, religion, national origin, gender, marital status, or age. The undersigned hereby acknowledges that (1) no loan officer has authority to commit Self-Help to any loan without prior approval by Self-Help’s credit committee and (2) any loan commitment must be in writing and signed by an authorized representative of Self-Help. Self-Help is authorized to make all inquiries Self-Help deems necessary to verify the accuracy of this statement and to determine the creditworthiness of the business or organization. The undersigned also authorizes Self-Help to answer questions and inquiries from others seeking credit experience information about the business or organization.

**Please provide this information for the Executive Director, Treasurer and/or Board Chairperson.**

Name (print) _____	Name (print) _____	Name (print) _____
Address _____	Address _____	Address _____
SSN or TIN ____ / ____ / ____	SSN or TIN ____ / ____ / ____	SSN or TIN ____ / ____ / ____
Date of Birth _____	Date of Birth _____	Date of Birth _____
% Ownership _____	% Ownership _____	% Ownership _____
Title/Function _____	Title/Function _____	Title/Function _____
Signature _____	Signature _____	Signature _____
Date _____	Date _____	Date _____

**Please send this application form and the required attachments to the Self-Help office nearest you, as listed below. We suggest that you keep a copy of the materials you are sending to Self-Help, since we will not be able to return them to you.**

**IMPORTANT: Please refer to the enclosed checklist. Complete all necessary forms and attach additional items listed on the checklist. Your application CANNOT be processed without inclusion of ALL required materials. If you have any questions about your application, please call a Self-Help office.**

**SELF-HELP REGIONAL OFFICE LOCATIONS**

Asheville:	34 Wall St., Suite 704, Asheville, NC 28801	(828) 253-5251	(800) 229-7428
Charlotte:	926 Elizabeth Ave., Suite 302, Charlotte, NC 28204	(704) 409-5900	(800) 394-7428
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**Section 4. Stocks and Bonds**

Use attachments if necessary. Each attachment must be identified as part of this statement and signed.

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

**Section 5. Real Estate Owned**

List each parcel separately. Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.

	Property A	Property B	Property C
Type of Property (residential/commercial)			
Title in Name of:			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Balance			
Amount of Payment per Month			

**Section 6. Other Liabilities****YES****NO**

If you answered YES to any of the questions on the left, describe below or on a separate piece of paper.

Are you a guarantor, co-maker, or endorser for any debt of another?			
Are you currently liable on any lease or contract?			
Are there any suits or legal actions pending against you?			
Are any tax obligations past due?			
Are you obligated to pay alimony, child support or separate maintenance payment?			
Have you ever had a judgment recorded against you?			
Have you ever filed bankruptcy? If yes, provide date of discharge.			

**Section 7. Life Insurance Held**

Name of Person Insured/ Insurance Company	Face Amount of Policy	Cash Surrender Value	Loans On Policy	Is Policy Assigned?

I am providing this financial statement for the purpose of obtaining or maintaining credit with SELF-HELP on my behalf or on behalf of others whose credit I may endorse, cosign, or guarantee. I understand that SELF-HELP is relying on the information provided within this statement (including the designations made as to ownership of property) in deciding to grant or continue credit. I certify that THE INFORMATION PROVIDED IS TRUE AND COMPLETE and that SELF-HELP may consider this statement to be true and correct until a written notice of a change is given to SELF-HELP. SELF-HELP is authorized to make all inquiries SELF-HELP deems necessary to verify the accuracy of this statement and to determine my creditworthiness. I also authorize SELF-HELP to answer questions and inquiries from others seeking credit experience information about me. If this is a joint financial statement, these representations and warranties are from each of us.

I HAVE READ, UNDERSTAND, AND HEREBY MAKE THESE REPRESENTATIONS AND WARRANTIES

Signature \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_











Who is your competition? Be specific. What are the advantages of your product or service?

What are your plans for growth or expansion? How does this relate to working capital, equipment and /or your building (location, size, age, zoning, condition)?

What is your financing plan? Please specify how much money you can put towards the project and how much money you need to borrow.

Include additional comments on separate pages.







or blight; or meet other urgent community development needs. Funds are available through either your local planning department (if you operate in a large city or an urban county), or through the state Division of Community Assistance -- (919) 733-2850 -- if you operate in a small town or rural area. You might also ask about Section 108 financing options. Financing is generally available several times a year through a competitive application process. HOME funds and discretionary monies are also available to nonprofits, and can be used for both community development activities and human service delivery programs. Contact your city government to find out about other funds available locally. For more information, see HUD's web page: [http://www.hud.gov/offices/cpd/about/cpd\\_programs.cfm](http://www.hud.gov/offices/cpd/about/cpd_programs.cfm).

**Self-Help:** We aim to fill the gaps. We lend throughout the state for almost any purpose (equipment, working capital, real estate acquisition and renovations). Our loans range from \$1,000 to several million dollars with terms from several months to 20 years (for some housing-related loans we are able to offer terms as long as 30 years). With some exceptions, our interest rates are competitive with market rates; currently we have lower rates for child care and some supportive housing loans. While our rates may not be the lowest, we generally offer greater flexibility in how the loan is structured, longer terms (this can translate into lower payments on a monthly basis), and technical assistance to help you achieve your goals. Visit <http://www.self-help.org/commerciallending> for more information.

### Structuring Your Loan Request

Getting approved for a loan will be easiest if your organization has a strong financial track record (operating reserve in excess of 3-4 months), can document stable income moving forward, pays its bills on time, has strong and stable leadership (staff and board), and an adequate down payment (25-30% if for a commercial real estate project that is in a stable neighborhood and is not special use). If this is the case, your challenge now is to find the best deal.

If, however, you do not have everything listed above, Self-Help has developed some options that may help you improve your chances of getting a loan. In working through these options, the first step Self-Help takes is to assess the viability of the organization and the proposed project. We will only look to the following tools if we are convinced that the project will work for you. They are back-up measures.

**Share-Secured Deposits:** Either your organization and/or any of its stakeholders (board members, funders, staff) can place deposits in Self-Help Credit Union and pledge them to your loan. The monies are at risk in that we can tap them if the loan does not get paid back. However, while they are backing up the loan, they are earning market rates of interest for their depositors in a federally-insured financial institution. Generally, once the loan shows several years of strong repayment, we will release some or all of the securing deposits. If the loan is fully share-secured (i.e., the deposit equals the loan amount), then the interest rate on the loan will be as little as 2%, depending on the size of the loan and the desired interest rate on the deposits.

*Self-Help made a \$14,000 loan to a human services agency that had undergone a change in executive directors. The new director called when she discovered that the agency was \$9,000 behind on its payroll taxes. Thanks to a community foundation and board members who placed deposits with Self-Help as share-security for the loan, we were able to deliver the needed cash quickly to pay off the IRS and give the agency an extra \$5,000 to jump-start their fundraising efforts.*

**Guarantors:** Lenders are sometimes less comfortable lending to nonprofits because, as a nonprofit corporation, no one is personally on the line for its activities. Small business loans almost always require an individual guarantor and often place a lien on all of that individual's property. A strong nonprofit may not need a guarantor (who can guarantee part or all of a loan), but it will always help strengthen a loan application. To determine the quality of the guarantee, we'll want to review the guarantor's personal financial position by asking him/her to complete a Personal Financial Statement (or providing us with the same information in another form) and by contacting a credit bureau about her/his credit history.

*Self-Help made a \$60,000 loan to a start-up nonprofit museum. The museum had raised most of*



*their budget through fundraisers, in-kind donations and grants, but had a gap. They needed \$60,000 to complete the renovations and cover their operating costs until other grants and entrance fees would allow them to break even. We were able to make the loan by securing it with the museum's equipment, a \$10,000 share-secured deposit (see above) from one of its stakeholders, and a partial guarantee for \$30,000 from another.*

**Additional Collateral:** Another way to strengthen a loan is to offer additional collateral (usually real estate and marketable securities, but we are open to discussing other assets). The nonprofit can do this by offering other properties. So, too, can the other stakeholders. Commonly, board members or the founder of a start-up nonprofit will pledge personal collateral, in addition to or in lieu of personally guaranteeing the loan. If an individual is putting up collateral, but not guaranteeing the loan, we do not need to review his or her financial position; we simply need to assess the value of the collateral.

*A \$200,000 start-up loan to a charter school to purchase modular classrooms was made possible when one of its founders filled the gap between the collateral value of the trailers and the loan amount by putting up some of her stocks.*

**Seller Financing:** If you are buying an existing building and lack an adequate down payment, the seller of the building may be willing to make a loan for part of the purchase price. If the seller is willing to take a subordinate lien position (i.e., be "second" behind us in the event of foreclosure or "seller second") and you can show that you can make the combined loan payments, then we can count the seller's loan as a down payment, thus enhancing your equity position.

*A small child care center wanted to expand by buying an existing child care that was on the market for \$150,000. Because the buyer was putting all of its retained earnings into teacher pay, it could only afford a \$10,000 down payment. To make the deal work, the seller agreed to provide a seller second for \$20,000. At the closing, the seller received \$120,000 cash from the Self-Help loan and \$10,000 from the buyer and then signed a promissory note with \$20,000 for the balance.*

**United States Department of Agriculture's Rural Development Community Facilities Guarantee Program:** For communities with populations under 20,000, Rural Development's Community Facilities Program guarantees loans to nonprofit and governmental entities. The guarantee is available for facilities, equipment and working capital. It can take some time to secure the guarantee, but it can make or break a deal by covering as much as 80-90% of the loan.

*We were able to help a charter school that, in its rush to get started, had used some of its operating funds to pay for start-up capital expenditures. This caused a cash flow squeeze mid-year. The school had very limited collateral, yet needed \$150,000 and some help with their budgeting to make it through the year. The USDA Guarantee and Self-Help's technical assistance made the loan possible, and the school, which serves many low-income students, is now thriving.*

**Often we use a combination of these tools in structuring a loan. We encourage you to call us to explore your organization's financing needs. Please call the Self-Help office nearest you for more information. If we think your best bet is a resource other than Self-Help, we'll refer you appropriately. Otherwise, we'll work to develop a financing package specific to your needs.**





## **Examples of N.C. Businesses that Save \$\$\$'s with “Green” Methods**

- **The Bridge Street Café** in Hot Springs lowers its electric bill by using energy efficient lighting and daylighting, and insulating its building well. The historic restaurant uses cloth napkins instead of paper and a soda fountain instead of aluminum cans. It recycles and composts.
- Burlington apparel manufacturer **T.S. Designs** has made many “green” changes. Most notable is the conversion to organic cotton and non-toxic dyes. Workers benefit from upgraded task lighting. The company mows and waters less after replacing their lawn with low-maintenance and attractive native plants. See [www.tsdesigns.com](http://www.tsdesigns.com).
- **The Iredell-Statesville School District** designed a new elementary school to use energy more efficiently. High-performance thermal windows, occupancy sensors that turn off lights automatically, and the use of natural light have cut the building’s utilities by 33%.

## **Some of the Best Resources for You on the Internet**

### **Energy Star**

[www.energystar.gov](http://www.energystar.gov)

Jointly managed by the US Environmental Protection Agency and US Department of Energy, this site is full of information for small businesses and facility owners. It has calculators to figure out your potential savings, locations of EnergyStar product retailers, and other easy-to-use resources.

### **GreenBiz: The Resource Center on Business, the Environment and the Bottom Line**

[www.greenbiz.com](http://www.greenbiz.com)

This site is the most comprehensive non-government resource you can find. It has an excellent “Business Toolbox” section. Go to the “GreenBiz Essentials” section within the “Toolbox” for quick and easy advice on using greener methods in specific areas of your business.

### **NC Department of Environment and Natural Resources, Division of Pollution Prevention**

[www.p2pays.org](http://www.p2pays.org)

North Carolina’s state government website on pollution prevention (P2) is excellent. Click on “Small Business” for resources geared to different industries and facilities.

### **NC State University, Industrial Extension Service**

[www.ies.ncsu.edu](http://www.ies.ncsu.edu)

The IES site offers energy information and links you to free and reduced-cost consulting services.

### **Waste Reduction Partners**

[www.landofsky.org/wrp](http://www.landofsky.org/wrp)

Access a popular and low-cost environmental consulting program for western NC businesses and organizations (west of I-77) via this site.