

# State Small Business Credit Initiative Loan Participation Application



**Instructions:** This application is designed to be completed electronically, and signed. This application is not a commitment for funds, nor does it obligate the State of Delaware or any State agency to provide any form of financial assistance. ***To be completed and submitted by lender.***

## Lender Information:

Lender Name: \_\_\_\_\_ Lender Contact: \_\_\_\_\_

Lender Phone Number: \_\_\_\_\_ Lender Email: \_\_\_\_\_

Lender ID#: \_\_\_\_\_

## Business Information:

Business Name: \_\_\_\_\_ Business Contact: \_\_\_\_\_

Business Address: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

NAICS Code: \_\_\_\_\_ Business Phone Number: \_\_\_\_\_

Current Full-Time Employees: \_\_\_\_\_ Additional Full-Time Employees as a Result of Project: \_\_\_\_\_

Number of Years in Business: \_\_\_\_\_

Briefly describe the nature of the business: \_\_\_\_\_

## Loan Request Information:

Type of Loan: Direct  Indirect  Line of Credit  504 Debenture

Total Project Cost: \$ \_\_\_\_\_

Total Loan Amount: \$ \_\_\_\_\_ Total Equity Amount Contributed by Borrower: \$ \_\_\_\_\_

DEDA Participation Amount: \$ \_\_\_\_\_ DEDA Interest Rate: \_\_\_\_\_ % Lender Interest Rate: \_\_\_\_\_

DEDA Participation % \_\_\_\_\_ % Blended Rate \_\_\_\_\_ %

Lender Interest Rate: Fixed  Adjustable

Lender Amortization Term: \_\_\_\_\_

DEDA Amortization Term: \_\_\_\_\_

Business Annual Gross Revenues for the fiscal or calendar year prior to loan \_\_\_\_\_

Business Net Income for the fiscal or calendar year prior to loan \_\_\_\_\_

Climate Aligned Investment? (Refer to U.S. Treasury SSBCI Guidelines) Yes  No

Energy or Climate-Impacted Community? (Refer to U.S. Treasury SSBCI Guidelines) Yes  No

Did the Business Self-identify as a SEDI-Owned and controlled business? Yes  No

Is the business currently in a CDFI investment area [Map](#) Yes  No

In the future, will be located in a CDFI investment area Yes  No

Owned and Controlled by a borrower whose residences are in a CDFI investment area? Yes  No



Lender Maturity Date: \_\_\_\_\_ DEDA Maturity Date: \_\_\_\_\_

Lender Security Position: \_\_\_\_\_

DEDA Security Position: \_\_\_\_\_

Use of Funds	
Primary Purpose:	Amount (\$)
Secondary Purpose:	

Total Cost	

If use of funds includes real estate purchase, what percentage of the property will be owner occupied? \_\_\_\_\_%

Does this loan carry a guarantee from any Federal Agency with the exception of an SBA 504 Debenture? Yes  No

Targeted Closing Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Lender’s reason(s) for utilizing the State Small Business Credit Initiative Program:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Loan Guarantor(s):

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_



**Collateral Information:**

Collateral 1: \_\_\_\_\_

Collateral Market Value: \$ \_\_\_\_\_

- Existing Liens/UCCs:
1. Lien Holder Name: \_\_\_\_\_ Balance: \$ \_\_\_\_\_
  2. Lien Holder Name: \_\_\_\_\_ Balance: \$ \_\_\_\_\_
  3. Lien Holder Name: \_\_\_\_\_ Balance: \$ \_\_\_\_\_

Lender Security Position With Proposed Financing: \_\_\_\_\_

DEDA Security Position With Proposed Financing: \_\_\_\_\_

Collateral 2: \_\_\_\_\_

Collateral Market Value: \$ \_\_\_\_\_

Existing Liens/UCCs: 1. Lien Holder Name: \_\_\_\_\_ Balance: \$ \_\_\_\_\_

2. Lien Holder Name: \_\_\_\_\_ Balance: \$ \_\_\_\_\_

3. Lien Holder Name: \_\_\_\_\_ Balance: \$ \_\_\_\_\_

Lender Security Position With Proposed Financing: \_\_\_\_\_

DEDA Security Position With Proposed Financing: \_\_\_\_\_

Collateral 3: \_\_\_\_\_

Collateral Market Value: \$ \_\_\_\_\_

Existing Liens/UCCs: 1. Lien Holder Name: \_\_\_\_\_ Balance: \$ \_\_\_\_\_

2. Lien Holder Name: \_\_\_\_\_ Balance: \$ \_\_\_\_\_

3. Lien Holder Name: \_\_\_\_\_ Balance: \$ \_\_\_\_\_

Lender Security Position With Proposed Financing: \_\_\_\_\_

DEDA Security Position With Proposed Financing: \_\_\_\_\_



## **Financial Information:**

Business Assets: \$ \_\_\_\_\_

Business Liabilities: \$ \_\_\_\_\_

Personal Assets: \$ \_\_\_\_\_

Personal Liabilities: \$ \_\_\_\_\_

Total Assets: \$ \_\_\_\_\_

Total Liabilities: \$ \_\_\_\_\_

Current Business Debt Service: \$ \_\_\_\_\_ Business Debt Service with Proposed Financing: \$ \_\_\_\_\_

Current Guarantor(s) Debt Service: \$ \_\_\_\_\_ Guarantor(s) Debt Service with Proposed Financing: \$ \_\_\_\_\_

Current Total Debt Service: \$ \_\_\_\_\_ Total Debt Service with Proposed Financing: \$ \_\_\_\_\_



I hereby certify that the information contained in this application and in the exhibits or attachments submitted are true and correct to the best knowledge of the applicant and undersigned.

\_\_\_\_\_  
Name (Please Print)

\_\_\_\_\_  
Signature

\_\_\_\_/\_\_\_\_/\_\_\_\_  
Date

## MATERIALS REQUIRED

Please note that the following exhibits must be attached to the application.

### A. Exhibits

- Attached Exhibit 1: Borrower use of proceeds and conflict of interest certification
- Attached Exhibit 2: Lender use of proceeds and conflict of interest certification
- Attached Exhibit 3: Sex Offender Lender/Borrower Certification
- Attached Exhibit 4: Borrower SEDI Certification
- Attached Exhibit 5: SSBCI Primary Notarize Statement
- Attached Exhibit 6: Demographics - related data

### B. Business License issued by Delaware Division of Revenue & Corporate Structure Chart

Attached    In Process    Business License

- Attached    In Process    Corporate Organizational Structure Chart

### C. Financial Information

- Attached    N/A    Three most recent years of financial statements including most recent year to date

### D. Additional Items

- Attached    Exhibit 3: Management & Ownership
- Attached    Exhibit: Dated Lender Credit Memorandum

### E. Items Due Upon Request

- Attached    N/A    Three most recent years of tax returns
- Attached    N/A    Personal Financial Statement form (*please save this form for possible future use*)

DEDA Use Only

Use of Funds: _____	Certifications: _____	Lender Risk Exposure: _____	Title Search: _____	Compliance Check: _____
Certificate of Good Standing: _____	UCC Filing: _____	Order Check: _____	Holding Company Yes or No	
<b>Approved Terms</b>				
Interest Rate: _____	Amount: _____	Monthly Payment: _____	Blended Int. Rate: _____	
Amortization: _____	Lien Position: _____	Closing Date: _____	Maturity Date: _____	
Reviewed by: _____			Approved by: _____	

# Management & Ownership

Show 100% ownership. If more space is necessary, attach a complete list formatted as below as "Exhibit: Management and Ownership-1."

<b>Names</b>	<b>SS# or Tax ID#</b>	<b>% Ownership</b>	<b>Address</b>





## Exhibit 1

### **Borrower Use of Proceeds and Conflict of Interest Certification**

Funds from the State Small Business Credit Initiative (SSBCI) may only be used for certain purposes and in circumstances where the applicable conflict of interest standards are satisfied.

Legal name of borrower  or investee : \_\_\_\_\_

The borrower or investee hereby certifies the following to the lender or investor:

1. The loan or investment proceeds will be used solely for a business purpose. A business purpose includes, but is not limited to, start-up costs; working capital; franchise fees; and acquisition of equipment, inventory, or services used in the production, manufacturing, or delivery of a business's goods or services, or in the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. SSBCI funds may be used to purchase any tangible or intangible assets except goodwill. The term "business purpose" excludes acquiring or holding passive investments in real estate; the purchase of securities except as permitted in certification 2.d below; and lobbying activities (as defined in Section 3(7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended (2 U.S.C. § 1602(7))).
2. The loan or investment proceeds will not be used to:
  - a. repay delinquent federal or jurisdiction income taxes unless the borrower or investee has a payment plan in place with the relevant taxing authority;
  - b. repay taxes held in trust or escrow (e.g., payroll or sales taxes);
  - c. reimburse funds owed to any owner, including any equity investment or investment of capital for the business's continuance; or
  - d. purchase any portion of the ownership interest of any owner of the business, except for the purchase of an interest in an employee stock ownership plan qualifying under section 401 of Internal Revenue Code, worker cooperative, or related vehicle, provided that the transaction results in the employee stock ownership plan or other employee-owned entity holding a majority interest (on a fully diluted basis) in the business.
3. The borrower or investee is not:
  - a. a business engaged in speculative activities that profit from fluctuations in price, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business or through normal course of trade;
  - b. a business that earns more than half of its annual net revenue from lending activities, unless the business is (1) a CDFI that is not a depository institution or a bank holding company, or (2) a Tribal enterprise lender that is not a depository institution or a bank holding company;
  - c. 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;
  - d. a business engaged in activities that are prohibited by federal law or, if permitted by federal law, applicable law in the jurisdiction where the business is located or conducted (this

includes businesses that make, sell, service, or distribute products or services used in connection with illegal activity, unless such use can be shown to be completely outside of the business's intended market); this category of businesses includes direct and indirect marijuana businesses, as defined in Small Business Administration (SBA) Standard Operating Procedure (SOP) 50 10 6;<sup>2</sup> or

- e. a business deriving more than one-third of gross annual revenue from legal gambling activities, unless the business is a Tribal SSBCI participant, in which case the Tribal SSBCI participant is prohibited from using SSBCI funds for gaming activities, but is not restricted from using SSBCI funds for non-gaming activities merely due to an organizational tie to a gaming business.<sup>3</sup> For purposes of Tribal SSBCI programs, "gaming activities" includes only "class II gaming" and "class III gaming" as these terms are defined under the Indian Gaming Regulatory Act (IGRA), 25 U.S.C. § 2703.

***For a borrower participating in a loan/credit program:***

- 4. The borrower is not:
  - a. an executive officer, director, or principal shareholder of the lender;
  - b. a member of the immediate family of an executive officer, director, or principal shareholder of the lender; or
  - c. a related interest or immediate family member of such an executive officer, director, or principal shareholder of the lender.

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For the purposes of the above conflict of interest certification, the terms "executive officer," "director," "principal shareholder," "immediate family," and "related interest" refer to the same relationship to the lender as the relationships described in 12 C.F.R. part 215.

***For an investee participating in a venture capital/equity program:***

- 5. The investee is compliant with the venture capital program conflict of interest standards set forth in Section VIII.f of the SSBCI Capital Program Policy Guidelines. Briefly, these standards provide that no SSBCI insider, or a family member or business partner of an SSBCI insider, has a personal financial interest in the investee unless an exception specified in Section VIII.f of the SSBCI Capital Program Policy Guidelines applies. The terms "SSBCI insider," "family member," "business partner," and "personal financial interest" have the meanings set forth in Section VIII.f of the SSBCI Capital Program Policy Guidelines.

If an exception applies, it must be specified here: \_\_\_\_\_

The undersigned is an authorized representative of the borrower or investee.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit 2**  
**Lender Use of Proceeds and Conflict of Interest Certification**

Funds from the State Small Business Credit Initiative (SSBCI) may only be used for certain purposes and in circumstances where the applicable conflict of interest standards are satisfied.

Legal name of lender  or investor :

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The lender or investor hereby certifies the following to the participating jurisdiction:

1. The SSBCI-supported loan or investment is not being made in order to place under the protection of the approved program prior debt that is not covered under the approved program and that is or was owed by the borrower/investee to the lender/investor or to an affiliate of the lender/investor.
2. If the SSBCI-supported loan is a refinancing, it complies with all applicable SSBCI restrictions and requirements in Sections VII.f and VIII.f of the SSBCI Capital Program Policy Guidelines regarding refinancing and new extensions of credit, including that the SSBCI-supported loan is not a refinancing of a loan previously made to the borrower by the lender or an affiliate of the lender.
3. The lender or investor is not attempting to enroll any portion of an SBA-guaranteed loan.
4. For an SSBCI-supported venture capital or equity investment, the investment complies with the venture capital program conflict of interest standards as set forth in Section VIII.f of the SSBCI Capital Program Policy Guidelines.

The undersigned is an authorized representative of the lender or investor.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit 3**  
**Sex Offender Lender/Borrower Certification**

Under the State Small Business Credit Initiative (SSBCI), lenders and borrowers must certify that their principals have not been convicted of a sex offense against a minor.

Legal name of lender  or borrower :

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The lender or borrower hereby certifies the following to the participating jurisdiction:

No principal of the entity listed above has been convicted of a sex offense against a minor (as such terms are defined in 34 U.S.C. § 20911). For the purposes of this certification, “principal” means the following: if a sole proprietorship, the proprietor; if a partnership, each partner; if a corporation, limited liability company, association, development company, or other entity, each director, each of the five most highly compensated executives, officers, or employees of the entity, and each direct or indirect holder of 20 percent or more of the ownership stock or stock equivalent of the entity.

The undersigned is an authorized representative of the lender or borrower.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Exhibit 4

### **Borrower Certification Related to Business Enterprises Owned and Controlled by Socially and Economically Disadvantaged Individuals (SEDI-Owned Businesses)**

This transaction is supported with funding provided through the State Small Business Credit Initiative (SSBCI), a federal program that supports small business lending and investment programs in states, the District of Columbia, territories, and Tribal governments (collectively known as participating jurisdictions). SSBCI programs are designed to expand access to capital, promote economic resiliency, and create new jobs and economic opportunity. SSBCI provides funding for participating jurisdictions to support businesses owned and controlled by socially and economically disadvantaged individuals

(SEDI-owned businesses).<sup>1</sup> This certification provides documentation that an SSBCI loan or investment supported a SEDI-owned business. The information collected from this certification can only be used for purposes of the SSBCI program and must not be used for any other purposes (e.g., marketing, sale to third parties). The information collected must also not be used in a manner that violates any applicable anti-discrimination laws, including, but not limited to, the laws specified in Section IX.b of the Capital Program Policy Guidelines (Compliance with Civil Rights Requirements).

The borrower or investee is not required to provide this certification. The borrower or investee may identify all categories in groups (1) through (3) below that apply, including all subcategories in group (1) that apply.

Legal name of borrower  or investee :

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The borrower or investee hereby certifies to the lender or investor that it is a:

1. Business enterprise that is owned and controlled<sup>2</sup> by individuals who have had their access to credit on reasonable terms diminished as compared to others in comparable economic circumstances, due to their:

membership of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;

gender;

veteran status;

limited English proficiency;

disability;

long-term residence in an environment isolated from the mainstream of American society;

membership of a federally or state-recognized Indian Tribe;

long-term residence in a rural community;

residence in a U.S. territory;

residence in a community undergoing economic transitions (including communities impacted by the shift towards a net-zero economy or deindustrialization);

or membership of another under served community.<sup>3</sup> [Welcome to the CDFI Fund CIMS](#)

## Exhibit 5

### Privacy Notice Statement

**Privacy Notice:**

Information from this collection will be shared with the U.S. Department of the Treasury (Treasury). Treasury has published a Privacy and Civil Liberties Impact Assessment that describes what Treasury will do with the information your business provides in this application. It can be found on the Treasury website. If you have any questions about this document, please email [Privacy@Treasury.gov](mailto:Privacy@Treasury.gov).

**Privacy Act Statement for Sole Proprietorships:**

The Privacy Act of 1974 (Privacy Act) protects certain information that the federal government has about “individuals” (United States citizens and lawfully admitted permanent residents). The Privacy Act does not generally apply to businesses, but some federal courts have found that this law applies to sole proprietors (they are deemed “individuals” under the Privacy Act). If you, as the applicant, are a sole proprietor, you may have rights under the Privacy Act.

Authority: Small Business Jobs Act of 2010 (SBJA), Title III, 12 U.S.C. § 5701 et seq., as amended by the American Rescue Plan Act of 2021 (ARPA), section 3301; Executive Order No. 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, 86 Fed. Reg. 7009 (January 25, 2021); and Interim Final Rule, State Small Business Credit Initiative; Demographics-Related Reporting Requirements, 87 Fed. Reg. 13628 (March 10, 2022).

Purpose: Information from this collection will be shared with Treasury. This information will be shared with Treasury so it can conduct oversight to ensure compliance with federal law, including requirements related to nondiscrimination and nondiscriminatory uses of federal funds. Treasury also receives this information (including any demographic information provided) to comply with reporting requirements under the authorities listed above and to advance fairness and opportunity in underserved communities in the allocation of federal resources.

Routine Uses: The information you furnish may be shared in accordance with the routine uses outlined in Treasury .013, Department of the Treasury Civil Rights Complaints and Compliance Review Files; Treasury .015, General Information Technology Access Account Records; and Treasury .017, Correspondence and Contact Information. For example, one routine use under Treasury .013 is to disclose pertinent information to appropriate agencies when Treasury becomes aware of a potential violation of civil or criminal law. Under this routine use, Treasury may disclose demographic information to the appropriate agencies if Treasury becomes aware of a violation of applicable antidiscrimination laws. More information about this and other routine uses can be found in the System of Records Notices (SORNs) listed above, which are posted on Treasury’s website.

Disclosure: Providing this information is voluntary. However, failure to furnish the requested information (except for the demographic information) may result in the denial of your application. Providing demographic information is optional. If you decline to provide this information, it will not adversely affect your application.

## Exhibit 6

### SSBCI Demographics-Related Data Form

Legal name of borrower: \_\_\_\_\_

This transaction is supported with funding provided through the State Small Business Credit Initiative (SSBCI), a federal program that supports small business lending and investment programs in states, the District of Columbia, territories, and Tribal governments (collectively, “participating jurisdictions”). SSBCI programs are designed to expand access to capital, promote economic resiliency, and create new jobs and economic opportunity.

Filling out this form and providing demographic information is optional; applicants are not required to provide the requested information but are encouraged to do so. The entity collecting this information cannot discriminate on the basis of whether an applicant provides this information, or based on any information provided on this form. If you decline to provide this information, it will not adversely affect your application.

The demographics-related information collected can only be used for purposes of the SSBCI program and must not be used for any other purposes (e.g., marketing, sale to third parties). The information collected must also not be used in a manner that violates any applicable anti-discrimination laws, including, but not limited to, the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI), 42 U.S.C. § 2000d-1 et seq., and Treasury’s implementing regulations, 31 C.F.R. part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), 29 U.S.C. § 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. § 1681 et seq., and Treasury’s implementing regulations, 31 C.F.R. part 28; the Age Discrimination Act of 1975, 42 U.S.C. § 6101 et seq., and Treasury’s implementing regulations at 31 C.F.R. part 23.

If you believe you were discriminated against in connection with the provision of the information provided on this form, contact: Director, Office of Civil Rights and Diversity, U.S. Department of the Treasury, 1500 Pennsylvania Ave, N.W., Washington, DC 20220, or by email at [crcomplaints@treasury.gov](mailto:crcomplaints@treasury.gov).

PAPERWORK REDUCTION ACT NOTICE - OMB Control Number 1505-0227

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.



**Applicants are encouraged to answer all of the questions below.**

This information is being collected to help ensure that communities' small business credit needs are being fulfilled and allow SSBCI to analyze the populations that SSBCI funding is benefiting.

<b>1. Minority-owned or controlled business status</b>			
<p>For purposes of this form, <u>minority individual</u> means a natural person who identifies as American Indian or Alaska Native; Asian American; Black or African American; Native Hawaiian or Other Pacific Islander; Hispanic or Latino/a; or one or more than one of these groups.</p> <p>For purposes of this form, an applicant is a <u>minority-owned or controlled business</u> if the business meets one or more of the following:</p> <p>(1) if privately owned, 51 percent or more is owned by minority individuals;</p> <p>(2) if publicly owned, 51 percent or more of the stock is owned by minority individuals;</p> <p>(3) in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of minority individuals; or</p> <p>(4) one or more minority individuals have the power to exercise a controlling influence over the business.</p>			
<b>Is the applicant a minority-owned or controlled business?</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to respond
<b>2. Women-owned or controlled business status</b>			
<p>For purposes of this form, an applicant is a <u>women-owned or controlled business</u> if the business meets one or more of the following:</p> <p>(1) if privately owned, 51 percent or more is owned by females;</p> <p>(2) if publicly owned, 51 percent or more of the stock is owned by females;</p> <p>(3) in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of females; or</p> <p>(4) one or more individuals who are females have the power to exercise a controlling influence over the business.</p>			
<b>Is the applicant a women-owned or controlled business?</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to respond
<b>3. Veteran-owned or controlled business status</b>			
<p>For purposes of this form, an applicant is a <u>veteran-owned or controlled business</u> if the business meets one or more of the following:</p> <p>(1) if privately owned, 51 percent or more is owned by veterans;</p> <p>(2) if publicly owned, 51 percent or more of the stock is owned by veterans;</p> <p>(3) in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of veterans; or</p> <p>(4) one or more individuals who are veterans have the power to exercise a controlling influence over the business.</p>			
<b>Is the applicant a veteran-owned or controlled business?</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to respond

