

Contractors & Developers Business Loan Program

(approved by City Council on 02/03/15)

LOAN PROGRAM DESCRIPTION:

- 0% interest business loans to contractors and developers for the acquisition and site development of unimproved residential lots, or lots with unoccupied dwellings, to construct speculative housing within the city limits of Schuyler.
- Business loan secured with purchased lot (second position acceptable).
- \$25,000 0% interest business loan per residential lot.
- Business Loan utilized for property acquisition and site development costs.
- Applicant shall reimburse City of Schuyler from the loan proceeds for expenses incurred in preparing loan documents and recording fees for loan documents.
- Eligible Loans: purchasing of residential lots located within the city limits of Schuyler (property taxes must be made current upon acquisition)
- Eligible Applicants:
 1. **contractors and developers**
 2. **business and personal property taxes paid and current**
 3. **compliance with municipal licensing requirements**
- Loan Review Board (LRB) approves / declines loan requests.
- Loan secured with purchased lot (subordinate only to 1st lien position for the construction loan of speculative residential housing on purchased lot).
- Speculative residential construction completed within 12 months from date of disbursement of the \$25,000 business loan to Approved Borrower (Page 2).
- Loan repayable by Approved Borrower immediately upon sale / rent of newly constructed housing unit; or, loan repayable immediately upon failure to complete residential construction within 12 months from the date of business loan. Loan repayment of \$25,000 shall be a one-time lump sum.
- Business Loan Program Budget: \$50,000 LB 840 (SEDPlan)

Note: Based on the availability of LB 840 economic development investment funds, not all loan requests will be approved.

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Loan Process:

- 1) Applicant completes Preliminary Loan Application (see *Page 3*) and submits to Schuyler's Community Housing Specialist (CHS).
- 2) Applicant's eligibility for business loan confirmed by Community Housing Specialist (CHS).
- 3) Additional administrative requirements submitted by Eligible Applicant upon request from EDC:
 - Credit Application, Credit Bureau Report, Federal Tax Return
 - other relevant information / documentation may be required of Applicant
- 4) Loan Review Board (LRB) approves / declines loan request. \$25,000 Business Loan for acquisition and site development costs. Borrower shall reimburse City of Schuyler from the loan proceeds for expenses incurred in preparing loan documents and recording fees for loan documents.
- 5) Approved Borrower submits copy of Purchase Agreement to CHS.
- 6) City Council authorizes loan payment disbursement at closing / transfer of property ownership.
- 7) **Loan Agreement Letter** prepared by CHS and signed by Mayor and Borrower.
- 8) Loan secured with purchased property (subordinate only to 1st lien position for the construction loan of speculative residential housing on purchased property).
- 9) Loan repayable immediately upon sale / rent of newly constructed housing; or, loan repayable immediately upon failure to complete residential construction within 12 months from the date of business loan. Loan repayment shall be a one-time lump sum for the entire loan.

Note: Based on the availability of LB 840 economic development investment funds, not all loan requests will be approved.

Contractors & Developers Business Loan Program

Preliminary Loan Application

0% interest business loan to eligible applicants for the purchase of property to construct speculative residential housing.

\$25,000 Business Loans for the purchase of unimproved residential lots or lots with unoccupied dwellings and related site development costs. Borrower shall reimburse the City of Schuyler from the loan proceeds for expenses incurred in preparing loan documents and recording fees for loan documents.

Loans are secured: repayable immediately upon sale / rent of new residential construction; or, repayable immediately upon failure to complete residential construction within 12 months from the date of business loan. Repayment shall be a one-time lump sum for the entire loan.

Property must be located within the Schuyler city limits. Based on the availability of LB 840 funds, not all loan requests will be approved.

Type / Print Legibly

Name of Applicant: _____
Last Name First Name Middle Name

Social Security Number (SSN): ____ - ____ - ____ Date of Birth: _____

Business Name: _____

Home Address: _____

Business Address: _____

Business Telephone: _____ Cell Phone: _____

Business Email: _____

Legal description of residential lot: _____

Property Taxes Current: yes / no (property ineligible if property taxes delinquent)

Name of Owner/Seller of residential lot: _____

Purchase Price of Residential Lot: \$ _____

Describe type of speculative residential construction to be built:

BUSINESS LOAN: \$ 25,000

~ Additional administrative requirements submitted upon request from CHS:

- Credit Application, Credit Bureau Report (CBR), Federal Tax Return
• other relevant information / documentation may be required of Applicant

Applicant's Signature _____ Date _____