



*City of Cumberland*

## **MICRO-REVOLVING LOAN FUND**

**PROGRAM INSTRUCTIONS**

**AND APPLICATION**

**2023—2024**

*City of Cumberland*

57 N. Liberty Street

Cumberland, MD 21502

301-722-2000

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



# MICRO-REVOLVING LOAN FUND

## ABOUT THE PROGRAM

The City of Cumberland announces a \$100,000 Micro-Revolving Loan Fund. The Micro-Revolving Loan Fund (MRLF) is designed to assist with current and new small businesses that are or will be in the City of Cumberland with funding that may not be attainable through traditional lenders. This fund is not a grant fund and is intended to continue to provide funding by the revolving payments of principal and interest of prior borrowers.

## PROGRAM GUIDELINES

The MRLF is available to businesses within the City limits of Cumberland that employ less than 100 employees, and will offer low interest loans of \$2,000 - \$10,000 for a term of twenty-four (24) to sixty (60) months. The current interest rate is three percent (3%). This fund will be open to accepting more risk than a traditional lender, but will be diligent in requiring applicants to be invested in the project and to understand the financial commitment.

The loan can be used for:

- a. Working Capital
- b. Building Improvements
- c. Building Upgrades
- d. Business Relocation
- e. Furniture, Fixtures and Equipment (FF&E) Purchase
- f. Business Disruption Funding (Baltimore Street Project)

**(The MRLF cannot be used to purchase real property)**



# MICRO-REVOLVING LOAN FUND

## APPLICATION PROCESS

For projects in categories a-f above, the following information must be submitted:

1. Completed formal application
2. Current Business Plan (Including a clear use of funds)
3. If applicable provide financial statements for the last two full years and comparable financial statements for any partial current year. For example: If your fiscal year and calendar year are the same and you are applying for a loan in April 2024, you will need to provide complete annual financial statements for 2022 and 2023 and financial statements for the three months ended 3/31/24 and 3/31/2023. If your business is a calendar year business and started in October 2022, you will need to provide 2022 (partial year) and 2023 full year financial statements as well as financial statements for the three months ended 3/31/24 and 3/31/23 this is a new business, a twelve (12) month Pro Forma
4. A complete project budget and scope of work to include a complete sources and uses of funds (if not included on the Business Plan)
5. A Certificate of Good Standing with the State of Maryland
6. Proof that you are current with all City of Cumberland taxes, utilities, and Code violations
7. Completed Credit Check application (attached) and payment of fee (A Release Form to access bank credit analysis may be substituted if you are applying for bank financing for this project)
8. \$25 application fee (non-refundable)
9. Submit a Credit report from Equifax, Experian or Transunion no older than 30 days from the date of application (no photocopies permitted)
10. Add a completed W-9 form

**Applicants are urged to contact and work with the Small Business Development Center (SBDC) at Frostburg State University to develop a Business Plan and Financial information.**

**Address: 101 Braddock Road Frostburg, MD 21532-2303 or contact Mark Prave at 888-237-9007 ext. 8**



# MICRO-REVOLVING LOAN FUND

## BUSINESS DISRUPTION FUNDING BALTIMORE STREET PROJECT

This category is a specific and temporary use of the funds to provide assistance to business owners within the Baltimore Street Improvement project footprint. To be eligible for this funding the business needs to meet the following:

1. Located within the footprint of the Baltimore Street Improvement project
2. Have been in operation on or before October 1, 2022
3. Currently in operation at least forty (40) hours per week
4. If applicable provide financial statements for the last two full years and comparable financial statements for any partial current year. For example: If your fiscal year and calendar year are the same and you are applying for a loan in April 2024, you will need to provide complete annual financial statements for 2022 and 2023 and financial statements for the three months ended 3/31/24 and 3/31/2023. If your business is a calendar year business and started in October 2022, you will need to provide 2022 (partial year) and 2023 full year financial statements as well as financial statements for the three months ended 3/31/24 and 3/31/23
5. Completed formal application
6. A Certificate of Good Standing with the State of Maryland
7. Proof that you are current with all City of Cumberland taxes, utilities, and Code violations
8. W-9 and credit report addition



# MICRO-REVOLVING LOAN FUND

## APPLICATION GUIDELINES

- ◆ Applicants must submit the application on forms provided by the City of Cumberland
- ◆ Applications should be printed on single sided, plain white paper
- ◆ All supporting documentation must be included in the application packet
- ◆ Submitted applications signed by one or more owners should be paper-clipped and not stapled
- ◆ Applications must be mailed or personally delivered to City of Cumberland as no Fax and/or email copies will be accepted

Please submit one complete application to:

City of Cumberland – 2023 MRLF Proposal

Attn: Ken Tressler—Director of Administrative Services

57 N. Liberty Street

Cumberland, MD 21502

Questions can be addressed to the Director of Administrative Services by email:

[Ken.Tressler@cumberlandmd.gov](mailto:Ken.Tressler@cumberlandmd.gov).

## LOAN REVIEW PROCESS

A Loan Review Committee (LRC) shall be established to review and recommend approval, denial or request additional information. The Director of Administrative Services will receive the applications and present them to the LRC.

The LRC shall be comprised of the following:

1. City Comptroller
2. Representative of the CEDC
3. Representative of the DDC
4. Member of City Council
5. Member of the banking community

The LRC will determine if collateral beyond a personal guaranty will be required of the applicant. Any fees associated with collateral shall be the responsibility of the applicant.

The final approval of a loan will be through Order of the Mayor/City Council.

*City of Cumberland*



# MICRO-REVOLVING LOAN FUND

## DISBURSEMENT

Loans between \$2,000 and \$5,000 shall be approved at a twenty-four (24) month term

Loans between \$5,000 and 10,000 shall be approved at a sixty (60) month term

There shall be no penalty for early re-payment.

The loan shall be considered to be in default when two payments are in arrears. The balance of the loan/late fees of service \$50.00 should be due immediately.



# MICRO-REVOLVING LOAN FUND

## GENERAL INFORMATION

Full Legal Business Name		
Business Street Address	City, State	Zip Code
Business Website		
Principal Contact Name and Title		
(Mailing Address) Street	City, State	Zip Code
Phone Number	Email	

## BUSINESS INFORMATION

### TYPE OF BUSINESS

Check Which Applies  Retail  Service  Manufacturing  Restaurant/Food Service  Other (please define)  
 For Profit  Non-Profit \_\_\_\_\_

### BUSINESS ORGANIZATION

Proprietorship  Partnership  Corporation \_\_\_\_\_ (type)  Other \_\_\_\_\_

Federal ID#: \_\_\_\_\_

Are you or any company that you own or have owned involved in any pending or prior lawsuits?

Yes  No

Have you or any company that you own or have owned previously filed for bankruptcy?

Yes  No

### PRINCIPALS / OWNERS (Attach a professional resume for each)

NAME:	TITLE/POSITION	% OWNERSHIP	YEARS OF INDUSTRY EXP.



# MICRO-REVOLVING LOAN FUND

## LOAN INFORMATION

Loan Category: (Check one)

- Working Capital
- Building Improvements
- Building Upgrades
- Business Relocation
- Machinery Purchase
- Furniture, Fixtures and Equipment (FF&E) Purchase
- Business Disruption Funding (Baltimore Street Project) see page #4 for more details

Title of Project/use of funds: \_\_\_\_\_

Loan Amount Requested: \_\_\_\_\_

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

Please list all other funding sources and amounts, if applicable:

\*Please include letter of commitment for each funding source.

Funding Source / Amount Funds / Confirmed (Yes/No)

1.) \_\_\_\_\_

Funding Source / Amount Funds / Confirmed (Yes/No)

2.) \_\_\_\_\_

Funding Source / Amount Funds / Confirmed (Yes/No)

3.) \_\_\_\_\_

Funding Source / Amount Funds / Confirmed (Yes/No)

4.) \_\_\_\_\_

Have you worked with the Small Business Development Center (SBDC) at Frostburg State University to develop a Business Plan and Financial information? (Yes/No)





# MICRO-REVOLVING LOAN FUND

## PROJECT SCOPE

Describe the scope of this project. Using the space provided, describe your business's need, problem, or opportunity and how the loan funds will be used. Please provide detailed descriptions of any purchases that are anticipated, including manufacturer specifications.

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## REQUIRED SUPPLEMENTAL DOCUMENTATION

The following documentation must be provided with each application. Failure to submit the required documentation shall disqualify the application from review.

1. Completed formal application
2. Current Business Plan (Including a clear use of funds)
3. Prior years business financials (up to the past 3 years Profit/Loss Statements, Cash Flow Statements, Balance Sheet) or if a new business, a twelve (12) month Pro Forma
4. A complete project budget and scope of work to include complete sources and uses of funds, if not included on the Business Plan
5. A Certificate of Good Standing with the State of Maryland
6. Proof that you are current with all City of Cumberland taxes, utilities, and Code violations
7. Completed Credit Check application and payment of fee. (A Release Form to access bank credit analysis may be substituted if you are applying for bank financing for this project)
8. \$25 application fee (non-refundable)



# MICRO-REVOLVING LOAN FUND

## BUSINESS DISRUPTION FUNDING (BALTIMORE STREET PROJECT)

If applying for a loan under this category, the following must be met:

1. Located within the footprint of the Baltimore Street Improvement project
2. Have been in operation on or before October 1, 2022
3. Currently in operation at least forty (40) hours per week
4. Provide financials for 2023 and the same period the previous year. Prefer to have quarterly financials (balance sheet and income statement) for calendar year 2022 and the first 9 months of 2023. That would enable us to compare the same periods (6 months ended Sept 30) for the two years and remove any potential seasonal affect
5. Completed formal application
6. A Certificate of Good Standing with the State of Maryland
7. Proof that you are current with all City of Cumberland taxes, utilities, and Code violations
8. \$25 application fee (non-refundable)

## AGREEMENT

Completion and submission of this application is no guarantee of funding. I/We affirm that all information in this application and all attachments are true and correct to the best of my/our ability and that the receipt of any loan funds relative to this request will be used for the purpose detailed within this application. I/We agree to abide by all local, state, and federal regulations as they apply. I/We understand that the loan received may be subject to an audit and/or further verification. I/We understand that the City of Cumberland and/or the Loan Review Committee may request additional information and/or interview applicants.

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

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

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

\_\_\_\_\_  
Date

### OFFICE USE ONLY

Date Received by City of Cumberland: \_\_\_\_\_

Received By: \_\_\_\_\_