



(IFA USE ONLY)

Loan Number _____

Application Fee Received _____

WORKING CAPITAL GUARANTEE APPLICATION

\$300 application fee

For Loans Made by Lending Institutions

(Please print or type)

Part I - REPRESENTATION OF APPLICANT(S)

(To be Completed by Applicant(s))

Full Legal Name Use Tab or mouse to proceed to the next box _____ Year of Birth _____

Full Legal Name Use Tab or mouse to proceed to the next box _____ Year of Birth _____

Address _____

City/State/Zip _____ Phone: _____

County Where Project will be Located _____

1. Amount of the Working Capital Guarantee (WCG) Loan request \$ _____

Please round to the nearest thousand; there is a \$250,000 maximum

2. Please provide a detailed accounting of the input costs purchase(s) and related costs that will be included in the WCG loan. Attach additional page if needed.

\$ _____ Fertilizer

\$ _____ Feed

\$ _____ Chemicals

\$ _____ Seed

\$ _____ Fuel

\$ _____ Other

\$ _____ Parts

\$ _____ Other(describe)

\$ _____ Repairs

\$ _____ Other(describe)

3. If any existing debt is being refinanced, please detail the amount of the loan and the current interest rate.

4. Please list the collateral being pledged to secure the Working Capital Guarantee Loan.

5. Please attach your last **three years balance sheets** including a current balance sheet, a **pro-forma balance sheet**, and three years of **income history** (tax returns or other records). Please attach a **cash flow statement** for the upcoming year.



6. Please explain how this WCG Loan will assist your farming operation.

7. Each applicant understands and agrees that:

- a. a nonrefundable \$300 application fee will be paid at the time of application;
- b. the total closing fee for this loan is 1.0% of the principal amount of the loan. (Minimum fee is \$300);
- c. I will pay all fees that may arise from the WCG Loan such as: appraisals, credit reports, lien searches, title work, and document recording;
- d. the WCG Loan shall be repaid annually;
- e. all of my debts must be current at the time the WCG Loan is closed;
- f. the collateral and performance on this WCG Loan will be reviewed annually, I will be required to provide my lender with a current balance sheet annually, and I may have to pledge additional collateral in the future if the value of the collateral becomes insufficient to adequately secure the loan;
- g. there is a \$250,000 maximum loan total per farming operation. I may apply more than once as long as the original amounts of the loans do not exceed \$250,000 in total; and
- h. I will be required to provide an Assignment of Indemnity on Federal Crop Insurance as required by my lender and the IFA; and
- i. IFA and my lender will have the final approval of this loan request. Submitting this application does not ensure that my WCG Loan request will be approved.

8. Each applicant hereby certifies that:

- a. I am a resident of the State of Illinois, and am at least eighteen years old;
- b. I am or will be the principal operator of a farm;
- c. I will receive at least 50% of my annual gross income from farming in the upcoming year. (i.e., my gross farm revenues will exceed my nonfarm income);
- d. my debt to asset ratio based on the pro-forma market value balance sheet, is between 40% and 70%; and
- e. the collateral I am pledging has an appraised fair market value that is greater than the dollar amount of the WCG Loan; and
- f. I have or will obtain and provide proof on Federal Crop Insurance sufficient to secure the WCG loan to my lender prior to closing of the WCG loan.

9. I certify that my 5 year average crop yields are as follows: _____ N/A (if not applicable)

Corn: _____ Soybeans: _____ Wheat: _____ Other: _____

10. I hereby certify that I have read the "Program Summary for the State of Illinois Working Capital Guarantee Program" and that I meet all of the eligibility requirements for the program. I understand all the terms and stipulations of the program and I agree to adhere to all of the IFA's guidelines, rules and regulations required of me to secure and keep intact, or which otherwise apply, to a WCG Loan. I further certify that I have reviewed the entire application, and that all information on the application, including the financial statements attached, is true and correct.

Date: _____

Signature of Applicant

Signature of Applicant



Part II - REPRESENTATION OF LENDER AND SECURITY ANALYSIS

(To be Completed by Lender)

Name of Lender _____

Address _____ Phone _____

City/State/Zip _____ Fax _____

Contact Person _____ E-Mail _____

1. Amount of Working Capital Guarantee (WCG) Loan request \$

_____ [Please round to the nearest thousand; there is a \$250,000 maximum]

2. Please provide a designation of the proposed interest rate to be charged to the borrower for the WCG Loan and, if a variable rate, what index would be used; a designation of what the interest rate would be without the WCG Loan Program.

3. The WCG Loan is for one (1) year.

a. Interest Payments will be made annually, semi-annually, quarterly, or monthly

b. Principal payments shall be based upon:

- 1. Amortized payments of interest and principal;
- 2. Principal and Interest due at maturity \$ _____; or
- 3. Other special plan _____.

4. Please provide a summary of the borrower's management ability, including strengths and weaknesses. (Excellent, Above Average, Average, or Below Average)

5. Describe collateral that will be pledged as security for the WCG Loan. Please attach the appraisal(s) if available.

6. Please attach the applicant's last **three years' balance sheets** including a current balance sheet, a **pro-forma balance sheet**, three years of **income history** (tax returns or other records) and a **credit bureau report**. Please attach a **cash flow statement** for the upcoming year. You may use your own cash flow statement or the one from the IFA website.



7. Please describe any existing liens that are now on the proposed collateral and indicate if any existing debt will be refinanced to improve the lien position.

<u>Collateral</u>	<u>Lien Holder</u>	<u>Loan Amount</u>	<u>Terms & Interest Rate</u>	<u>Paid Off with WCG?</u>
_____	_____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
_____	_____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
_____	_____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>

Currently, the applicant's market value debt to asset ratio is _____%.

After the WCG Loan, the applicant's pro-forma market value debt to asset ratio will be _____%.

8. Currently, is the applicant(s) delinquent on any debt or has the applicant(s) been delinquent on any debt in the last three years? Yes No If yes, please identify delinquency(s): _____

9. Has the applicant(s) filed for bankruptcy in the last seven years? Yes No If yes, please indicate the year of filing. Year _____

10. Please describe the borrower's marketing plan for selling the commodities to be grown and financed under the WCG loan. Include the borrower's average percentage of pre-selling, types of marketing strategies used, and use of marketing advisory services.

11. **If the collateral is real estate**, please have the applicant(s) complete Part III, page 5, **Environmental Survey**, and please answer if you are aware of any environmental risks or hazards? Yes No If yes, please detail. _____

12. Please state the strong and weak points of the applicant(s) and their farming operation and how this WCG Loan will assist their farm operation. (Attach an additional page describing the borrower's operations or your internal loan narrative)

13. The lender understands and agrees that:
- a. the WCG Loan will mature in one (1) year;
 - b. the interest rate must be less than a market rate of interest generally available to the borrower as determined by IFA.
 - c. the applicant's debts must be current at the time the WCG Loan is closed;
 - d. my lending institution will assume all responsibility and costs for pursuing legal action and collecting any WCG Loan that is delinquent or in default;
 - e. collateral must be disposed of 14 months from the date the WCG Loan goes into default and reimburse the State from said sale. The lender also understands that if they have not reimbursed the State within this 14 month period, then my lending institution is liable to start paying interest on the WCG Loan equal to the same rate that would be due from the applicant if the loan were still intact;
 - f. my lending institution must request written approval on the sale of all collateral on WCG Loans;



- g. my lending institution will be required to monitor all advances by the borrower on the WCG loan and account for the use of all funds advanced on the WCG loan, as well as all proceeds from the sale of commodities produced by the borrower; and
- h. my lending institution will be responsible for at least the first 15% loss of principal and interest on the WCG Loan; and
- i. any misrepresentation by lender or material misstatement of information on this application or otherwise in connection with this WCG Loan can result in the Guarantee being revoked or terminated.

14. I hereby certify that I have read the “Program Summary” for the “State of Illinois Working Capital Guarantee Program” and that my lending institution meets all of the eligibility requirements for the program. I understand all the terms and stipulations of the program and I agree to adhere to the Lender’s Agreement and all of IFA’s guidelines, rules and regulations required to secure and keep intact, or which otherwise apply to a WCG Loan. I further certify that I have reviewed the entire application, including those portions completed by the applicant, and all information on the application, including the financial statements attached, is true and correct.

Date: _____

Signature of Lender



Part III - ENVIRONMENTAL SURVEY

(To be Completed by Applicant)

PLEASE NOTE: If real estate is not pledged for collateral, this part does not need to be completed. Attach additional pages if needed.

- 1. Has an environmental site assessment ever been prepared for this property? Yes No
If yes, please attach copy.
- 2. Are there any underground tanks located on the property? Yes No If yes, please attach a map illustrating the number of tanks, size, type, age, their location, and indicate if they are currently in use.
- 3. Are there any wells for water, oil, or gas located on the property? Yes No If yes, please attach a map illustrating the number of wells, type, their location, and indicate if they are currently in operation.
- 4. Is there a livestock operation on the property? Yes No If yes, please answer the following questions
 - a) What is your source of water for your livestock operation? _____
 - b) Please state the type of operation, number of head and describe the manure handling facilities and system of disposal. _____
 - c) Will the livestock operation be operated or managed by someone who has a Certified Livestock Facility Manager designation? Yes No .
 - d) Do you have a Waste Management Plan? Yes No . If yes, please attach a copy of the plan.
 - e) Are there any manure lagoons with your livestock facility? Yes No .
 - f) In miles or fractions thereof, how close is the nearest residence not associated with the ownership of your livestock facility? _____ mile(s).
 - g) Are you now or have you ever been involved in any investigation, dispute or litigation with the Illinois or Federal Environmental Protection Agency, Illinois Department of Natural Resources, Illinois Department of Agriculture or similar regulatory agency? Yes No . If yes, please explain _____
- 5. Is there any other environmental problem(s) associated with this property other than the ones previously mentioned? Yes No . If yes, please explain. (Example: landfills, electrical transformers, contaminates, hazardous substances, used pesticide containers, pesticide spills, other business activities, environmental concerns from neighboring properties, flooding, proximity to streams, or other) _____

I hereby certify that I have answered the Environmental Survey questions to the best of my ability and that the answers and the explanations to the questions are true and correct.

Date: _____

Signature of Applicant

Signature of Applicant



Thank you for completing the Working Capital Guarantee Program loan application for capital purchases. Please mail the application to the address below or you may submit the application electronically through our website. All applications may be printed from our website if you need additional forms. IFA Board meetings are usually scheduled on a monthly basis on the second Tuesday of each month. Please try to submit your application before the end of the first week of the month to ensure time for us to review. If you have any questions regarding the application process, financial records, appraisals, or other loan terms and conditions, please call us at the number below.

Have you determined?

- The amount of the loan
- The interest rate for the loan.
- The interest rate index (if applicable)
- The collateral for the loan

Have you enclosed?

Application

- Application Part I - Applicant's section pages 1 and 2**
- Application Part II - Lender's section pages 3 and 4**
- Application Part III - Environmental Survey page 5 (if real estate is collateral)**
- \$300 Application Fee**

Financial Records

- 3 Years of Balance Sheets (including a current year pro-forma balance sheet)
- 3 Years of Income History
- Projected cash flow statement
- Credit Bureau Report
- Appraisal(s) if available

The Illinois Finance Authority is an independent, self-funded state agency offering a variety of loan programs mutually beneficial to farmers and lenders. Contact us at the number below for more information on the Beginning Farmer Bond Program, Beginning Farmer Contract Bond Program, Debt Restructuring Loan Guarantee Program, Young Farmer Guarantee Program, Specialized Livestock Guarantee Program, Agri-Industries Loan Guarantee Program, Working Capital Loan Program and/or the Value-Added Stock Purchase Loan Guarantee Program.

Serving Illinois Agriculture One Family at a Time Since 1982

Offices of the Illinois Finance Authority

Chicago	180 N. Stetson Ave, #2555, Chicago, IL 60601	312.651.1300	312.651.1350 fax
Mt. Vernon	2929 Broadway, Suite 7B, Mt. Vernon, IL 62864	618.244.2424	618.244.2433 fax
Peoria	100 S. W. Water St., Peoria, IL 61602	309.495.5959	309.676.7534 fax
Springfield	500 E. Monroe St., Third Floor, Springfield, IL 62701	217.782.5792	217.782.3989 fax

www.il-fa.com

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