



2300 N. Yellowstone, Idaho Falls, Idaho 83401 -- 208-528-9400/208-528-9500 (FAX)

RDA FUNDING APPLICATION

The Regional Development Alliance, Inc. is a non-traditional business lender located in eastern Idaho. Our objective is to directly invest in qualified businesses in order to increase job growth, retain quality jobs, and obtain a good return on our investment.

Our service area consists of seven (7) counties in eastern Idaho including Bannock, Bingham, Bonneville, Butte, Custer, Jefferson, and Madison. Although we typically invest within those seven counties, we will consider opportunities outside of the region where such opportunities will bring significant economic impact to the seven counties referenced above or where there is a substantial return on investment to the RDA.

Please review our **funding policies** below prior to completing the application:

- a. The RDA does NOT give grants to businesses.
- b. The RDA does NOT offer interest free loans.
- c. The RDA leans to more conservative investments but is also dedicated to leaving room for more risky investments where such risks are calculated and have a potential for excellent economic impact or return on investment.
- d. The RDA prefers to lend to a maximum of \$500,000, but will, from time to time, consider larger amounts where such investments will bring substantial economic impact to the region or a significant return on investment to the RDA. No minimums have been established.
- e. All applicants are required to provide A MINIMUM of 10% down and may be required to provide up to 20%.
- f. All interest rates are tied to Prime and will not be less than Prime. Rates may be as high as Prime+6 depending on risk and/or the opportunity for return on investment.
- g. Terms will not exceed 10 years, but we will consider amortizing past the 10 year term with a scheduled balloon payment at the end of the maximum 10 year period in order to reduce payment amounts in the early years. In no case will the 10 year term be extended.
- h. Collateral must be adequate for the amount and use of loan proceeds.
- i. All appropriate instruments will be applied to mitigate risk including but not limited to collateral, key person life insurance, liens, and personal and corporate guarantees.
- j. We will consider any business that meets legal standards and proper and reasonable standards of safety, risk, environment, economic impact and investment return.

- j. Retail businesses will be considered under the following criteria:
 - i. Retail is limited to the following towns:
 1. Downey (Bannock County)
 2. Lava Hot Springs (Bannock County)
 3. Aberdeen (Bingham County)
 4. Arco (Butte County)
 5. Challis (Custer County)
 6. Mackay (Custer County)
 7. Stanley (Custer County)
 8. Mud Lake/Terreton (Jefferson County)
 - ii. We will not fund one retail business that will directly cause another to fail.
 - iii. The proposed business must be a benefit to the community.

Application Process and Procedures:

The Regional Development Alliance considers applications for funding without regard to race, sex, or religion. You may submit your completed application electronically by, 1) saving this PDF file on your computer, 2) completing it, and 3) attaching it to an email to connie@rdaidaho.org or tim@rdaidaho.org. You may also mail or bring 18 copies of your completed application along with any supporting documentation to the Regional Development Alliance, Inc., 2300 North Yellowstone, Idaho Falls, Idaho 83401. **Please do not bind applications in 3-ring binders.**

The purpose of this application is to determine eligibility. As such, the application asks ONLY for basic information. Once your qualified application has been received you will be scheduled to make a 30 minute presentation to the Loan Committee. The purpose of the presentation is for the Loan Committee to decide whether or not to pursue due diligence.

Due diligence is simply a very detailed analysis of your business or business idea. Should the Loan Committee decide to enter the due diligence phase with you, you will be asked to submit far more detailed information than requested here. The due diligence process will include personal and business background and credit checks, a look at your personal and business financial history, analysis of your management team, an assessment of your marketing and sales plans, and many other observations that will help us make a decision. Once we complete our due diligence process, a final report will be issued to the Loan Committee. The Loan Committee will make the final decision to approve or deny your request. In most cases, the Committee's final decision will be communicated to you within one (1) week of the meeting in which the decision is made.

If your loan is approved, a 1.5% origination fee and a 0.5% servicing fee will be built into the loan and your monthly payments will include the amortized amount of your fee in order to avoid upfront costs associated with the loan approval.

Organization:

Business Name

Contact Person

Title of Contact Person

Mailing Address

Street Address (if different from above)

Phone Number

Fax Number

Email

Website

Total Current Number of Employees:

Please answer the following questions. If the answer to any of the first three(3) questions is "Yes," please include a separate page outlining all details.

1. Are any of the principals of the corporation now, or have they ever been, under indictment, on parole or probation?
2. Have any of the principals ever been charged with or arrested for any criminal offense other than a minor motor vehicle violation?
3. Have any of the principals ever been convicted of any criminal offense other than a minor motor vehicle violation?
4. Do you understand that, if successful in securing a loan from the RDA, you will be required to sign an unlimited personal guaranty?

Funding

1. Please insert the total loan amount requested.

2. Please describe how you will use the funds (e.g., Operating Capital: \$50,000; Furniture and Equipment: \$20,000; etc.)

If there is a difference between what you are requesting from the RDA and your total funding need, please tell us below where you intend to get the rest of the funds (i.e., friends, family, other loans, etc.):

Source 1:

Source 2:

Source 3:

Evaluation Criteria (attach additional pages as necessary):

1. Give us a brief history and description of your business.

2. Tell us about your current business debt.

3. What products/services does/will your business offer? Describe them in detail.

4. Describe your target market.

5. Briefly describe the current financial condition of your business.

6. Tell us about your competition (e.g., who, strengths, weaknesses, market share, etc.)

7. Tell us about your management team (e.g., who, experience, education, positions, etc.)

8. Tell us why you and/or your business/organization are qualified to do what it is that you are proposing to do. Please include a description of your qualifications and past experience in similar ventures.

Supporting Documentation:

If you have any supporting documentation which is pertinent to the proposed project or activity, and which you wish to include with your application, please bring such documentation or mail it to RDA, 2300 North Yellowstone, Idaho Falls, Idaho 83401. Such items may include, but are not limited to, business plans, product information, brochures, nontechnical engineering information, drawings, maps, etc.

Personal Guarantees and Other Requirements:

Be advised that RDA policy is to require the signing of unlimited personal guarantees by principal owners/shareholders of non-public corporations for approved loans. All awards will require some reporting responsibilities on a quarterly basis. Failure to comply with reporting requirements will be deemed a default under contract provisions and the entire amount of any dollars previously awarded plus interest may be required to be returned to the RDA immediately upon notification.

Confidentiality and Nondisclosure Agreements:

The RDA takes every precaution to ensure that the proprietary information presented in applications and presentations is protected. Presentations are private and any information left in our possession will be shredded. However, the board of directors and staff do NOT sign confidentiality and nondisclosure agreements and will not be held liable for exposure of such information once presented. All board members have signed conflict of interest statements and work under the requirements outlined in those statements.

Return of Business Plan, Application Documents, Other Proprietary Information:

If you want applications and supporting documentation (submitted during the application process) returned to you, you must pick them up at the RDA offices within 5 days of your presentation. Documents left longer than 5 days will be shredded without notice. The RDA does not ship documents.

Decision Timing:

The process to obtain funding from the RDA can lengthy. Timing depends on Loan Committee meetings, due diligence and document preparation. If you need fast capital, the RDA is probably not your source of financing.