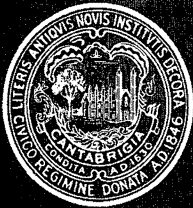


CAMBRIDGE
BUSINESS
LOAN FUND



*“Helping Businesses
Grow”*



CITY OF CAMBRIDGE
*Community Development Department
Economic Development Division*

ROBERT W. HEALY,
City Manager

SUSAN B. SCHLESINGER,
*Assistant City Manager
for Community Development*



About the

Cambridge Business Loan Fund...

The Community Development Department of the City of Cambridge and a consortium of four Cambridge based banks have developed a multi-million dollar loan pool for small businesses in Cambridge. The loan pool will provide businesses and individuals with loan funds to expand, improve or start businesses.

This Cambridge Business Loan Fund is designed to fill an existing funding gap for Cambridge small businesses. Typically these businesses have little credit availability with conventional lenders. By filling this gap, the City and banks hope to enable small companies to grow and create jobs, thus promoting economic development in Cambridge.

How is the Cambridge Business Loan Fund Structured?

The Cambridge Business Loan Fund will receive money from member banks. Loan applications will be processed through the Economic Development Division of the Community Development Department and reviewed by a Loan Committee made up of representatives of the member banks. The Loan Committee will make all decisions regarding loan approval.

Who is eligible to participate in the Cambridge Business Loan Fund?

To participate in the Cambridge Business Loan Fund, the loan applicant must be a for-profit, small business located in the City of Cambridge.

Types of eligible businesses:

- ▶ Retail
- ▶ Wholesale
- ▶ Manufacturing
- ▶ Professional
- ▶ Service

Does my business qualify to borrow from the Cambridge Business Loan Fund?

In general, applicants who are not able to obtain conventional financing from banks will be considered based on the following two areas:

Strength of Business:

Criteria include: strength of a business plan; business skills and experience of business owner(s); repayment ability; and available collateral.

Credit:

Criteria include: satisfactory business and personal credit history; and ability to operate a successful business.

How can I use a loan from the Cambridge Business Loan Fund?

Loan funds can be used for:

- ▶ Working Capital
- ▶ Fixtures and Installation of Fixtures
- ▶ Inventory
- ▶ Machinery and Equipment
- ▶ Leasehold Improvements
- ▶ Relocation Costs
- ▶ Other Business Purposes

Loan Size: Loans will range from a minimum of \$25,000 to a maximum of \$150,000.

Loan Terms: Loans will be available for one to five years.

Interest Rate: On the date a loan is approved, the interest rate will be fixed at 2.25% above the Wall Street Journal Prime Rate.

Application and Other Fees: When the application is submitted, a non-refundable application fee of \$150 is required. Other fees may be required, depending on the loan transaction.

PRINCIPAL #2: Name (Last) _____ (First) _____ (Middle Initial) _____

Date of Birth _____ Social Security No. _____ Home Phone _____

Street Address _____ City _____ State _____ Zip Code _____

% Ownership _____ Title _____ Years in Position _____

Do you **Own** or **Rent** your Home? _____ What is your Primary Deposit Institution? _____

Mortgage held by? _____

(Please Round Totals to 1,000)

Assets	Total \$	Joint (Y/N)	Liabilities	Total Owed \$	Joint (Y/N)
Cash and Cash Equivalents	_____	_____	Mortgage(s) Amount(s) _____	_____	_____
Marketable Securities	_____	_____	Other Loans _____	_____	_____
Non-Marketable Securities	_____	_____	Credit Card Debt _____	_____	_____
Real Estate Value	_____	_____	1. _____	_____	_____
Accounts, Loans & Notes Receivable	_____	_____	2. _____	_____	_____
Automobiles	_____	_____	3. _____	_____	_____
Life Insurance (CSV only)	_____	_____	Other Bills _____	_____	_____
Other Assets	_____	_____	Unpaid Income/Real Estate Taxes _____	_____	_____
TOTAL ASSETS	_____	_____	TOTAL LIABILITIES	_____	_____
			NET WORTH	_____	_____
			TOTAL LIAB. AND NET WORTH	_____	_____

Annual Gross Income for the Most Recent Year * \$ _____

Monthly housing payment (mortgage payment & taxes or rent) \$ _____

*Alimony, child support or separate maintenance income need not be included if you do not wish it to be considered as a basis for repaying this obligation.

IMPORTANT INFORMATION ABOUT YOUR RIGHTS

If your application for business credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, please contact the Cambridge Business Loan Fund by telephoning (617) 349-4618 or writing to Loan Administrator, Community Development Department, City of Cambridge, 57 Inman Street, Cambridge, MA 02139 within 60 days from the date you are notified of the declination. We will send you a written statement of reasons for denial within 30 days after receiving a request for the statement.

Notice: The Federal Equal Credit Opportunity Act and comparable provisions of Massachusetts law prohibit creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, sexual orientation, ancestry, handicap, marital status, age (provided that the applicant has the capacity to enter into a binding contract), or because all or part of the applicant's income derives from any public assistance program. The Federal Equal Credit Opportunity Act also prohibits creditors from discriminating against credit applicants because the applicant has in good faith exercised any right under the Consumer Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Deposit Insurance Corporation. It's address is Regional Director, FDIC, Westwood Executive Center, 200 Lowder Brook Drive, Suite 3100, Westwood, MA 02090. The state agency that administers compliance with the state law is the Massachusetts Commission Against Discrimination, One Ashburton Place, Boston, MA 02108.

4. Please Provide Us With Your Signatures and Certifications

Each person who signs below as Applicant, Owner, Principal or Guarantor (the "Signer") certifies to the Creditor, the Cambridge Business Loan Fund, that the information provided above and in any accompanying documentation is true, complete and accurate, and that each Signer will promptly notify the Creditor of any material changes to such information. Each Signer authorizes the Creditor to collect information relating to the Signer from time to time, including but not limited to, consumer reports from any consumer reporting agencies and to contact any references relating to the Signer which the Creditor deems necessary or appropriate, without notice to the Signer. **Each Signer authorizes the Cambridge Savings Bank, as Servicing Agent for the Cambridge Business Loan Fund, to order a credit report and gather whatever other information that is necessary in the loan application processing. Each Signer understands that the information will be shared with the other participating financial institutions of the Cambridge Business Loan Fund and hereby authorizes to disclose the Signer information to the Cambridge Business Loan Fund participating financial institutions.** Creditor is further authorized to answer any questions about Creditor's credit experience with Signer. Each Signer confirms that the proceeds of this loan request will be used for business purposes and will not be used for personal, family, or household use. If the Creditor takes an adverse action relating to a business credit application in whole or in part because of information about any Signer(s), (including, but not limited to, information contained in a consumer report), each Signer authorizes the Creditor to notify each applicant of such a fact. This application and any accompanying documentation remain the Creditor's property. By signing below, the Signer declares that he/she has read and understands the statement above.

By _____
Signature (Applicant) Title Date

Signature (Principal/Owner) Date

Signature (Guarantor) Date

Signature Date

Signature of Joint Owner of Personal Assets: _____ Social Security Number _____

Relationship of Joint Owner of Personal Assets to Business Applicant: _____ Owner Non-Owner

Signature of Joint Owner of Personal Assets: _____ Social Security Number _____

Relationship of Joint Owner of Personal Assets to Business Applicant: _____ Owner Non-Owner

If there have been difficulties in the past in your personal or business credit history, you may attach an explanation.

How do I to apply for a loan with the Cambridge Business Loan Fund?

Complete the attached application, detach, and return it with your non-refundable application fee of \$150 to:

City of Cambridge
 Community Development Department
 Attention: Loan Administrator
 City Hall Annex
 57 Inman Street
 Cambridge, MA 02139
 FAX # (617) 349-4669

Make your check payable to (City of Cambridge).

If you have questions or need assistance in completing the application, contact the Loan Administrator at : (617) 349-4618.

The Community Development Department will contact you to confirm receipt of your application. Additional information may be requested to complete your application (i.e. business plan and financial information).

Founding Banks

- ▶ Cambridge Savings Bank - Servicing Agent
- ▶ Cambridge Trust Company
- ▶ Cambridgeport Bank
- ▶ East Cambridge Savings Bank

Cambridge Business Loan Fund

"Helping Businesses Grow"

Business Loan Application

(Please type)

1. Please Tell Us About Your Business

Business Name _____ d/b/a or Trade Name (if different) _____

Business Address _____ P.O.Box _____ City _____ State _____ Zip Code _____

Business Phone _____ FAX Number _____ Tax ID Number _____

#of Employees _____ Year Established _____ Nature of Business _____

of Years under Current Ownership? _____ SIC (if known) _____ Annual Revenues _____

Do you have a business plan with cash flow projections? Yes No If yes, please attach it to this form.

Type of Business: Proprietorship C Corp S Corp General Partnership LLP LLC PC Other

Does your business have any loans from banks, other companies, or individuals? Yes No If yes, are all debts current? Yes No

Please provide loan details as an attachment.

Are business payables current? Yes No If no, please attach an explanation.

Are you or your business party to any claim or lawsuit? Yes No If yes, please attach an explanation.

Have you or your business ever declared bankruptcy? Yes No If yes, please attach an explanation.

Are all your taxes current? - payroll, sales/meals, federal, state, local, business and personal property taxes? Yes No If no, please attach an explanation.

Are you or your business an endorser, guarantor or co-maker of any obligation? Yes No If yes, how much is the contingent liability? \$ _____

Please provide details as an attachment.

2. Please Tell Us About Your Loan Request

Amount Requested \$ _____ Repayment Term (in months) _____

How will your business use this loan? Working Capital Purchase Equipment Leasehold Improvements Other

Explain: _____

What will you offer as collateral for this loan? _____

Is any collateral offered currently pledged to other creditors? Yes No

Please circle the collateral type(s) offered and fill in the corresponding lines. Please attach supporting schedules, if necessary.

	Real Estate	Machinery Equipment	Furniture Fixture	Accounts Receivable	Inventory	Personal Residence	Other (cash & securities)
Purchase Price							
Date Purchased							
Present Market Value							
Present Loan Balance							

If you are applying for a loan secured by cash or marketable securities, please attach a list of the proposed collateral.

3. Please Tell Us About the Owners/Principals/Guarantors*

*If more than two individuals, please use a second application form, sign it and attach it to this form.

PRINCIPAL #1: Name (Last) _____ (First) _____ (Middle Initial) _____

Date of Birth _____ Social Security No. _____ Home Phone _____

Street Address _____ City _____ State _____ Zip Code _____

% Ownership _____ Title _____ Years in Position _____

Do you **Own** or **Rent** your Home? _____ What is your Primary Deposit Institution? _____

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Accounts, Loans & Notes Receivable	_____		2. _____		
Automobiles	_____		3. _____		
Life Insurance (CSV only)	_____		Other Bills	_____	
Other Assets	_____		Unpaid Income/Real Estate Taxes	_____	
TOTAL ASSETS	_____		TOTAL LIABILITIES	_____	
			NET WORTH	_____	
			TOTAL LIAB. AND NET WORTH	_____	

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CITY OF CAMBRIDGE
COMMUNITY DEVELOPMENT DEPARTMENT

SUSAN B. SCHLESINGER
*Assistant City Manager for
Community Development*

ELIZABETH EPSTEIN
*Deputy Director for
Community Development*

To: Robert W. Healy
City Manager

From: Susan B. Schlesinger *SBS*
Assistant City Manager for Community Development

Re: Cambridge Business Loan Fund

Date: February 27, 1997

Attached please find the brochure and application for the Cambridge Business Loan Fund.

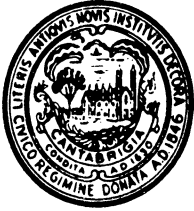
This Loan Fund is now available for small businesses that have been unable to access conventional bank financing.

Loan applications will be processed through the Community Development Department, reviewed by a Loan Committee made up of representatives from the four Cambridge banks who have committed four million dollars to the pool.

As you are aware, the Cambridge Business Development Fund is an initiative which grows out of recommendations in the Economic Development Policy report. The report points to the importance of small businesses staying and growing in Cambridge and clearly access to capital is a critical element of business success.

SBS:jcm

Attachment



CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL. 349-4300
FAX. 349-4307



EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

March 3, 1997

To The Honorable, The City Council:

I am pleased to transmit to the City Council the enclosed Cambridge Business Loan Fund brochure, submitted by the Community Development Department.

Very truly yours,

Robert W. Healy
City Manager

RWH/dls
enclosure

Consent Agenda #12

S-129

Relative to the Cambridge Business
Loan Fund.

In City Council March 3, 1997

PLACED ON FILE