



**COLLATERAL SUPPORT PROGRAM
APPLICATION
INSTRUCTIONS AND INFORMATION FOR COMPLETING THE APPLICATION**

Required for Idaho Collateral Support consideration –

- Complete the two page Collateral Support Program Application in the pdf form.
- Once the CSP application is complete, print the application and sign and date.
- Complete the Collateral Analysis and Review sheet **OR** provide a copy of the collateral analysis contained in the credit presentation/loan memorandum.
- Forward the completed CSP application (signed and dated) along with the Collateral Review form **OR** internal collateral analysis by email coryp@ihfa.org or fax 208-331-4804.

Information to consider when completing the CSP application –

Lender Information

- **EIN#** - This is the Lender/Financial Institution's EIN #.
- **Branch Address** – If a P.O. Box is provided for mailing purposes, also include a physical street address for the branch.

Borrower Information

- **Lender's Loan Number** – If a loan number hasn't been assigned when completing and submitting the CSP application, indicate TBD. The loan number can be provided at the time of loan closing.
- **Year Incorporated or Organized** – This should be the year the business was incorporated/organized **OR** the year the business opened.
- **NAICS #** - The six digit NAICS code for the operating entity. If the loan transaction involves an EPC/real estate holding company, the NAICS code should be provided for the operating company that will be the "owner occupant" in the commercial building.
- **Annual Revenues Last Fiscal Year** – This should be the "gross revenues" for the primary business (operating company) taken from either the tax return or the financial statements of the business.
 - For Sole Proprietorships – Schedule C (Tax Form 1040), Part I, Line 3
 - For Agriculture Producers – Schedule F (Tax Form 1040), Part I, Line 9
 - For Partnerships – Tax Form 1065, Line 1c
 - For Corporations – Tax Form 1120, Line 1c
 - For S Corporations – Tax Form 1120 S, Line 1c

Project Information

- **Total "Project" Loan Amount** – This is the loan amount necessary to finance the project. This may be different than the "Loan Amount Funded by Lender" if there is more than one source of financing for the project.
- **Loan Purpose** – Be as specific as possible. If the loan is to finance debt currently held at a non-affiliated Lending Institution, please indicate this.

- **Loan Maturity** – Expressed either in months or years.
- **Borrower’s Cash Injection** – Indicate the cash injection you are requiring the borrower to provide as part of the financing for the “project.”
- **Portion of Loan Amount that is to be Funded by Other Sources** – If there are multiple lending sources involved with financing the project, please provide the amount financed by outside sources and identify the name of the outside sources of financing.
- **Additional Private Financing caused by or Resulting from the Initial Loan** – If there is more than one loan being provided to the business, and both loans are conditioned on the execution of the “entire” financing package being provided, indicate any additional loan(s) that are part of the financing package that do NOT include collateral support. (Example; A financing package involving an owner-occupied real estate loan and a revolving line of credit for business operations. If collateral support is required on the real estate loan, and as part of the financing package the borrower/business must accept both the term loan and the revolving line, the additional private financing that would be reported is the amount of the revolving line of credit extended to the business as part of the “entire” financing package).
- **Additional Comments** – Provide any additional relevant information pertaining to the loan transaction and the project being financed. (Example, on an interim loan to finance the construction of an owner-occupied building, indicate that the long term financing is being facilitated through the SBA 504 loan program).

Information to consider when completing the Collateral Analysis and Review form –

In lieu of completing the CSP Collateral Analysis Review form, a copy of the collateral analysis from the credit presentation/loan memorandum can be provided with the CSP application.

- Loan Amount should be the same as the “Portion of Loan Amount that is to be Funded by Lender” reported on the CSP application.
- Loan Maturity should correspond to the same loan maturity reported on the CSP application.
- “Collateral required” should be the total value (fair market value prior to any discount(s)) of the collateral required by Lender in order to grant the loan to the eligible small business. This should include the amount of collateral support that is necessary in order to grant the loan.
- Project overview – provide a brief description of the project the Lender is looking to finance.
- In the table, provide the fair market value of all collateral that will be held as security on the loan.
- In the comments section, provide the source for which the value of the collateral was determined (appraisal, invoice, etc.).
- The Collateral Support Required to grant this loan must match the “Amount of Collateral Deposit required for Lender to Make Loan” on the CSP application.



Collateral Support Program Application

Lender Information

Lender Name: _____ EIN#: _____

Contact Person: _____

Branch Address: _____

Telephone: _____ Fax: _____

Email: _____

Borrower Information

Borrower Name: _____

State of Organization: _____

Operating Entity (if different than borrower): _____

Minority or Women Owned Business: Yes No

Borrower Address: _____
(Must be a physical street address)

City: _____ State: _____ County: _____ Zip: _____

Lender's Loan Number: _____

Business Description: _____

Year Incorporated or Organized: _____ 6 digit NAICS#: _____

Annual Revenue Last Fiscal Year: _____

Current Employment:

Full Time _____

Part Time _____

**Estimated number of Jobs
Created with this Loan:**

Retained with this Loan:

Full Time _____

Full Time _____

Part Time _____

Part Time _____

Estimated Annual Wage of New Jobs:

Full Time _____

Part Time _____

Total "Project" Loan Amount: \$ _____

Loan Purpose: _____

Loan Maturity: _____

Borrower's Cash Injection: _____

Portion of Loan Amount that is to be Funded by Lender: \$ _____

Portion of Loan Amount that is to be Funded by Other Sources: \$ _____

Identify source(s) _____

Amount of Collateral Deposit required for Lender to Make Loan: \$ _____

Amount of additional private financing that is caused by or resulting from the initial loan on
which the collateral deposit support account is established: \$ _____

Additional Comments:

Authorization

This signature serves as initial representation that this loan meets all requirements as set forth in
the Lender Participation Agreement and the Collateral Deposit Agreement.

Lender Signature: _____

Name: _____ Title: _____

Date: _____

Idaho Collateral Support Program Collateral Analysis and Review

Borrower: _____
 Operating Entity: _____
 (If different than borrower)

Loan Amount: \$ _____ -
 Loan Maturity: _____
 Collateral Required: _____

(Total combined collateral necessary in order for the Lender to grant the loan to the eligible small business)

Project Overview:

Collateral Summary and Lender Analysis -

	Fair Market Value	Discount Percentage	Discounted Value	Comments Method or Source of Valuation
Real Estate			-	
			-	
Equipment			-	
			-	
A/Rs			-	
			-	
Inventory			-	
			-	
Other			-	
			-	
			-	
TOTAL	-		-	
Collateral Required			\$ -	
Collateral Deficiency			\$ -	
Collateral Support Required to grant this loan			\$ -	
Combined LTV - Market				
Combined LTV - Discounted				

Idaho CSP Program collateral support parameters -

- Short term loan maturities (12 months or less); maximum of 20% of lender's loan amount
- Intermediate term loan maturities (13 months to 48 months); maximum of 20% of lender's loan amount
- Long term loan maturities (greater than 48 months); maximum of 15% of lender's loan amount

**COLLATERAL SUPPORT PROGRAM
APPLICATION
DEFINITION OF TERMS AND EXAMPLES**

Minority or Women Owned Business

A “Minority or Women Owned Business Enterprise” means an Idaho Business Enterprise **more than fifty percent (50%)** of which is owned by women and/or persons who are members of a minority group. For purposes of this definition, minority group members are African/Black Americans, Hispanic-Americans, Asian-Americans, American Indians/Native Americans, American Eskimos and American Aleuts.

Estimated number of Jobs to be Retained or Created with this loan

Some thoughts to consider when estimating the number of “Jobs Created” or “Jobs Retained” with this loan:

If the loan under consideration is going to ultimately result in jobs being retained by the business, what is the actual number of jobs expected to be retained because of the loan being granted? This will not necessarily be all of the jobs employed by the business.

An example: A medical practice is securing a loan to allow them to move from a leased space into a building they are purchasing. If the medical practice were unable to secure the loan to purchase the building and the landlord was unwilling to renew their lease, it may force the practice to merge with another practice or consolidate with a local or regional hospital. In this scenario, the jobs “at risk” could be the employees providing administrative support or nursing services that may not be needed if the medical practice was forced to merge with another business (jobs where there would be an overlap or duplication of services). Therefore, the jobs that would be retained because of the loan being granted to purchase a medical office building may be those providing administrative support and nursing services for the medical practice.

The **estimated number of jobs retained** will **rarely** be the total number of FTE employed by a small business. The retention of a company’s entire FTE will only be in circumstances where the business would end up closing their doors entirely if it weren’t for the loan being granted by the Lending Institution with the collateral deposit account offered through the CSP program.

If a business is obtaining a loan to construct a new building, which will ultimately allow the business to grow and expand, what are the **estimated jobs that the business plans on creating** to support this growth and expansion?

An example: A manufacturing company that is currently operating out of a 25,000 SF facility is looking to build a new manufacturing plant. In the current facility, the corporation cannot take on any additional orders as they are operating at capacity in their current space. They secure financing with a participating Lending Institution who

requires a collateral deposit account from IHFA through the CSP program to construct a new manufacturing building 50,000 SF in size. This will allow them to increase their output by an additional 35 – 40% over the next couple of years. The estimated jobs that will be created by this loan are those jobs that will be necessary to support the increased production once the business moves into the new facility.

Amount of additional private financing that is caused by or resulting from the initial loan on which the collateral deposit support account is established

Some examples of “Additional Private Financing” occurring because of the loan granted with the assistance of the CSP collateral deposit account:

As part of a financing package, the Lending Institution is considering granting a revolving line of credit of \$250,000 and a term equipment loan of \$150,000. The CSP support (collateral deposit account) is required in order to grant the term equipment loan. If the Lending Institution is considering granting both loans, with one contingent upon the approval of the other, and the CSP support is necessary in order to grant the term equipment loan, then the additional financing that occurred because of the CSP program in this example would be the amount of the revolving line of credit; \$250,000.

As part of a 504 loan package, the Lending Institution is considering granting a revolving line of credit in the amount of \$150,000 in conjunction with the project interim construction financing of \$900,000. In underwriting the revolving line of credit (which will be secured by A/Rs and inventory), the Lending Institution ascertains that additional collateral is necessary in the form of a collateral deposit account through the CSP program in order to grant the loan. Furthermore, in order for the Lender to provide the 504 financing, they are requiring the business to take out the revolving line of credit to be available to assist the business with short term working capital (due to the business’ deterioration in liquidity from the \$100,000 cash injection required for the 504 project). In this example, the additional financing that occurred because of the CSP program is the interim financing on the 504 project; \$900,000.

An Idaho small business has submitted a financing package for the construction of a new building along with a request for a loan to purchase equipment necessary for the business to operate once the new building is completed and ready for occupancy. The construction and long term financing for the real estate is being underwritten as conventional real estate financing in the amount of \$1,500,000. Due to the substantial amount of equity/cash required for the conventional real estate financing, the company is only able to inject 10% into the purchase of the equipment. The Lending Institution has submitted a CSP application requesting 15%, \$67,500, of the equipment loan in a collateral deposit account as additional collateral support. In this example, since the equipment loan is necessary for the small business to operate once they move into the new facility, and both loans are necessary for the feasibility of the project, the additional private financing that occurred because of the assistance of the CSP program is the amount of the conventional real estate loan; \$1,500,000.