

# Rural Development Initiative Fund

AS 44.88.600 – As 44.88.620      3AAC 99.825 – 3AAC 99.899

## Purpose

To provide private sector employment by financing the start-up and expansion of businesses that will create significant long-term employment.

## Contact Information

**Mail Applications To:** DIVISION OF INVESTMENTS  
DCCED  
P.O. Box 110802  
Juneau, AK 99811-0802

**By Telephone:** (800) 478-LOAN (5626) Toll Free within Alaska  
(907) 465-5437 TTD

**By Email:** [investments@alaska.gov](mailto:investments@alaska.gov)

**In Person:**

<b>Juneau Office</b>	<b>Anchorage Office</b>
State Office Building	Robert B. Atwood Building
333 Willoughby Ave. 9th Floor	550 W. 7th Ave. Suite 1550
Juneau, Alaska	Anchorage, Alaska
(907) 465-2510 Office	(907) 269-8150 Office
(907) 465-2103 Fax	(907) 269-8147 Fax

**Website:** [www.commerce.alaska.gov/web/inv](http://www.commerce.alaska.gov/web/inv)

## **GENERAL REQUIREMENTS**

- Loans may be made to a business located in a community with a population of 5,000 or less that is not connected by road or rail to Anchorage or Fairbanks, or with a population of 2,000 or less that is connected by road or rail to Anchorage or Fairbanks.
- Loans may be made for working capital, equipment, construction or other commercial purposes.
- Loans may not be made to pay costs that were incurred more than 6 months before loan application.
- Loans must result in the creation of new jobs or the retention of existing jobs in the eligible community.

## **TERMS AND CONDITIONS**

- Maximum loan amount is \$150,000.00 to a person or up to \$300,000.00 to two or more persons.
- Maximum loan term is 25 years.
- Interest rate will be fixed at the time of loan approval (contact us for current rate).
- All loans must be adequately secured. A loan may not exceed the value of the collateral used to secure the loan.
- A reasonable amount of money from other non-state sources must be committed for use on any project for which money from a loan will be used.

## **FEES**

- A \$150 application fee (non-refundable) must accompany all applications.
- A 1% origination fee is due at closing.
- Borrower is responsible to pay all direct costs incurred in processing an application including title reports and title insurance, recording fees, appraisals, travel or other direct costs.

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**CHECK-OFF LIST**

The following information is **required** in order to process your application. Please use the list to make sure all information is submitted. Retain a copy of this application for your records. The department may require additional information or documentation, as it deems necessary in order to verify eligibility or other requirements of the program.

1	<b>Application for Rural Development Initiative Fund Loan:</b> Be sure the form has been completed and signed. If a partnership or corporation, each individual owning 20% or more must complete an application (page 3).
2	<b>Non-refundable Application Fee:</b> You must include a check or money order for \$150.
3	<b>Letter of Intent:</b> (Page 4).
4	<b>Project Funding Summary:</b> (Page 5).
5	<b>Business Profile:</b> (Page 6).
6	<b>Job Information:</b> (Page 6).
7	<b>Individual Financial Statement:</b> Required from all individual applicants. If the applicant is a corporation, required from all individuals owning 20% or more of any outstanding shares. If applicant is a partnership or other association, required from all individuals in the organization. Must indicate financial condition of the individual as of no more than 90 days prior to receipt of application (pages 7 & 8).
8	<b>Business Financial Statement:</b> Must indicate financial condition of business as of no more than 90 days prior to receipt of application (pages 9 & 10).
9	<b>Collateral:</b> (Page 11).
10	<b>Actual Statement of Profit &amp; Loss:</b> (Page 12).
11	<b>Projected Statement of Profit &amp; Loss:</b> (Pages 13 & 14).
12	<b>Copy of government issued identification:</b> Provide a copy of each applicant's valid government issued identification at or before loan closing.
13	<b>Authorization to Obtain Credit and/or Release Information:</b> (Page 15).
14	<b>Oath:</b> (Page 16).
15	<b>Federal Tax Returns:</b> Include complete, signed copies of your federal income tax returns for the last three years. You must also submit the business' last three year's tax returns. Corporations must submit complete copies of their last three year's federal income tax returns, as well as returns for individuals owning 20% or more of the corporation.
16	<b>Original Earnest Money Agreement, Contractor's Bid, Purchase Agreement, or Other documentation to verify the Use of the Loan Proceeds.</b>
17	<b>Business Plan or Business Resume:</b> Brief narrative on your business experience and history.
18	<b>Current Bank Statement:</b> Provide copies of current bank statements verifying Cash Accounts as shown on Financial Statement.

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## APPLICATION FOR RURAL DEVELOPMENT INITIATIVE FUND LOAN

**Please check one:**

Individual	Business	Partnership	Corporation
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Today's Date:

Applicant Business Name:

NAICS (From Business License):

Mailing Address (Street/PO Box, City, State, Zip Code)

SSN/EIN:

Business Telephone Number:

Applicant Name (Last, First, M.I.)

Applicant's Telephone Number

Mailing Address (Street/PO Box, City, State, Zip Code)

Married (Including separated)

Not Married (Single, divorced or widowed)

Social Security Number:

Date of Birth

Place of Birth: (City & State)

Number of Dependents (Excluding applicant)

Applicant's Employer:

Occupation/Position:

Employer's Telephone Number:

How long at present position?

Years

Months

Gross Monthly Salary (before deductions):  
\$

Spouse/Co-Applicant Name: (Last, First, M.I.)

Social Security Number

Mailing Address (Street/PO Box, City, State, Zip Code)

Date of Birth (City & State)

Employer's Telephone Number:

Spouse/Co-Applicant's Employer

Occupation/Position:

Gross Monthly Salary (Before deductions):  
\$

How Long at Present Position?

Years

Months

**Nearest relative not living with you/Contact Person Name:** (Last, First, M.I.)

Telephone Number:

Mailing Address (Street/PO Box, City, State, Zip Code)



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PROJECT FUNDING SUMMARY			
<b>SOURCE OF FUNDS:</b> List below the source of all funds that will be invested in the project for which you are requesting financing. The total will be the total project cost. A reasonable amount of these funds needs to be from other non-state sources.			
Rural Development Initiative Fund			\$
Cash to be Invested by Applicant			\$
Loan from Banks:	Name of Bank:		\$
	Name of Bank:		\$
Loans from Other Sources:	Name:		\$
	Name:		\$
Grants (Describe):			\$
			\$
			\$
Other (Describe):			\$
<b>Total Project Cost</b>			<b>\$</b>
<b>USE OF LOAN PROCEEDS:</b> Describe below how the loan proceeds will be used. Attach copies of earnest money agreements, contractor's bids, contracts, invoices or other documentation to verify these uses. Total must equal loan amount requested. If your loan is approved, you will need to provide documentation to verify the total project cost.			
<b>Use:</b>			<b>Amount</b>
			\$
			\$
			\$
			\$
<b>Total Loan Requested</b>			<b>\$</b>
<b>USE OF FUNDS FROM OTHER SOURCES:</b> Describe below how you will use funds from other sources to complete your project. Attach copies of earnest money agreements, contractor's bids, contracts, invoices or other documentation to verify these uses. The total of these funds and the loan proceeds listed above must equal the Total Project Cost listed under Sources of Funds.			
<b>Use:</b>			<b>Amount</b>
			\$
			\$
			\$
			\$
<b>Total Use of Funds From Other Sources</b>			<b>\$</b>

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BUSINESS PROFILE			
<b>BUSINESS INFORMATION:</b>			
1	When was this business established?		
2	List below all owners and their percent of ownership (please add additional sheets if necessary). Ownership total must equal 100%. All individuals owning 20% or more of the business must complete an individual financial statement and will be required to sign loan documents.		
	a		% of ownership
	b		% of ownership
	c		% of ownership
	d		% of ownership
3	List subsidiaries and/or affiliated companies. Explain trade and financial interrelationships of applicant and such subsidiaries and/or affiliates:		
	a		Explanation:
	b		Explanation:
4	What are the principle products or services your business provides?		
5	Attach a copy of your business plan or provide information relating to markets, your marketing plan, potential customers' cash flow analysis, etc.		
6	Attach personal resumes of applicants and key managers of the business.		
<b>JOB INFORMATION:</b> Loans made under this program must result in the creation or retention of jobs within an eligible area. Please provide the job related information listed below.			
1	If this loan is approved, will jobs be retained that would have otherwise been lost?	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
2	If "yes" to question number 1, how many jobs will be retained?		
3	If this loan is approved, will new jobs be created?	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
4	If "yes" to question number 3, how many jobs will be created?		

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<b>FINANCIAL STATEMENT (INDIVIDUAL)</b>				
Name (Last, First, M.I.)		Social Security Number:	Date:	
Mailing Address (Street/PO Box)		City:	State:	Zip Code
The undersigned makes the following statement of financial condition as of _____ day of _____, 20__.				
ASSETS		LIABILITIES		
			Monthly Payments	Balance Owing
Cash in Bank	\$	Real Estate (Schedule 3)	\$	\$
Cash on Hand		Notes Payable (Schedule 4)		
Notes/Accounts Receivable (Schedule 1)		Accounts Payable		
U.S. Bonds or Notes		Other Liabilities		
Mortgages & Contracts (Schedule 1)				
Securities (Schedule 2)				
Value of Real Estate Owned (Schedule 3)				
Automobiles		Credit Cards		
Personal Property				
Other Assets (Itemize)				
		Total Monthly Payments	\$	\$
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>TOTAL LIABILITIES</b>		<b>\$</b>
CONTINGENT LIABILITIES				
<input type="checkbox"/>	Yes	Are you a co-maker, endorser, or guarantor on any loan or contract?	If "yes," to whom?	Amount \$
<input type="checkbox"/>	No			
<input type="checkbox"/>	Yes	Are there any unsatisfied judgments or collections against you?	If "yes," attach letter of explanation.	Amount \$
<input type="checkbox"/>	No			
<input type="checkbox"/>	Yes	Have you filed for bankruptcy in the last 14 years?	If "yes," attach letter of explanation.	Year
<input type="checkbox"/>	No			
Personal Living expenses and Other Obligations (Child Support, Alimony, etc.)			Amount	
			\$	
			\$	
			\$	
			\$	



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**FINANCIAL STATEMENT (INDIVIDUAL)  
 SCHEDULES 1-4**

**SCHEDULE NO. 1: NOTES RECEIVABLE/ACCOUNTS RECEIVABLE, MORTGAGES & CONTRACTS OWNED**

Description	Name of Debtor	Original Balance	Present Balance	Monthly Payment	Amount Past Due

**SCHEDULE NO. 2: SECURITIES**

# of Shares	Description	To Whom Pledged	Market Value	Cost	Income Received Last Year

**SCHEDULE NO. 3: REAL ESTATE OWNED**

Description & Location (Street, City, State)	Date Acquired	Cost	Current Assessed Value	Mortgages					
				Name & Address of Bank	Current Market Value	Original Balance	Present Balance	Payment Amount	
								Monthly	Annual

Is any real estate being purchased on a contract of sale?  Yes  No If so, which one?  
 From whom:

**SCHEDULE NO. 4: NOTES PAYABLE (Do Not Include Mortgages Listed in Schedule 3)**

Name & Address of Banks	Collateral	Date Incurred	Original Amount	Present Amount	When Due	Payment Amount	
						Monthly	Annual

Have you ever received a loan from the state?  Yes  No If yes, please complete the following:

Loan Number	Loan Type	Date Received	Paid in Full	
			Yes	No
			Yes	No
			Yes	No



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**FINANCIAL STATEMENT (BUSINESS)  
 SCHEDULES 1 - 4**

**SCHEDULE NO. 1: NOTES RECEIVABLE/ACCOUNTS RECEIVABLE, MORTGAGES & CONTRACTS OWNED**

Description	Name of Debtor	Original Balance	Present Balance	Monthly Payment	Amount Past Due

**SCHEDULE NO. 2: SECURITIES**

# of Shares	Description	To Whom Pledged	Market Value	Cost	Income Received Last Year

**SCHEDULE NO. 3: REAL ESTATE OWNED**

Description & Location (Street, City, State)	Date Acquired	Cost	Current Assessed Value	Mortgages					
				Name & Address of Bank	Current Market Value	Original Balance	Present Balance	Payment Amount	
								Monthly	Annual

Is any real estate being purchased on a contract of sale?  Yes  No  If so, which one?

From whom: \_\_\_\_\_

**SCHEDULE NO. 4: NOTES PAYABLE (Do Not Include Mortgages Listed in Schedule 3)**

Name & Address of Bank	Collateral	Date Incurred	Original Amount	Present Amount	When Due	Payment Amount	
						Monthly	Annual

Have you ever received a loan from the state?  Yes  No  If yes, please complete the following:

Loan Number	Loan Type	Date Received	Paid in Full	
			<input type="checkbox"/> Yes	<input type="checkbox"/> No
			<input type="checkbox"/> Yes	<input type="checkbox"/> No
			<input type="checkbox"/> Yes	<input type="checkbox"/> No
			<input type="checkbox"/> Yes	<input type="checkbox"/> No

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**COLLATERAL**

All loans must be adequately secured. The loan amount may not exceed the value of the collateral equity securing the loan. Please list below the collateral you are offering. You must also indicate the method used to value this collateral and include supporting documentation such as appraisals, assessment notices, opinions of value or invoices, bids or other documentation to support cost valuations.

**EXAMPLE:**

Collateral Description	Value	Maximum Collateral %	Collateral Value	Existing Liens	Adjusted Value
Land	\$50,000.00	85%	\$42,500.00	\$10,000.00	\$32,500.00
Building	\$100,000.00	85%	\$100,000.00	0	85,000.00
Equipment	\$50,000.00	50%	\$50,000.00	0	\$25,000.00
Vessel	\$100,000.00	75%	\$100,000.00	0	\$75,000.00
Total Loan Value			\$292,500.00		\$217,500.00

**List Collateral:**

Collateral Description	Value	Maximum Collateral %	Collateral Value	Existing Liens	Adjusted Value
Total Loan Value			\$		\$

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<b>ACTUAL STATEMENT OF PROFIT &amp; LOSS</b>		
Applicant's Name:		SSN/EIN:
For the Period Beginning: (Must be within last 12 months)		And Ending
<b>Gross Receipts:</b>		\$
Cost of Goods Sold:		
Beginning Inventory (If Applicable)	\$	
Add: Purchases		
Less: Ending Inventory		
Total Cost of Goods Sold		(-)
<b>GROSS PROFIT:</b>		\$
<b>OPERATING EXPENSES:</b>		
Proprietor's or Officer's Salary	\$	
Salaries to Employees	\$	
Employee Expenses	\$	
Payroll Taxes	\$	
Fuel	\$	
Electricity	\$	
Telephone	\$	
Automobile Expenses	\$	
Rent or Lease Payment	\$	
Office Supplies	\$	
Maintenance & Repairs	\$	
Dues & Subscriptions	\$	
Travel Expenses	\$	
Entertainment	\$	
Professional Services	\$	
Taxes & Licenses	\$	
Insurance	\$	
Advertising & Promotion	\$	
Bad Debts	\$	
Other	\$	
	\$	
	\$	
	\$	
Total Operating Expenses		(-)
<b>OPERATING INCOME</b>		\$
<b>OTHER EXPENSES:</b>		
Depreciation	\$	
Interest	\$	
Total Other Expenses		(-)
<b>OTHER INCOME:</b>		
	\$	
	\$	
Total Other Income		(+)
<b>TOTAL NET INCOME</b>		\$

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**Estimate all income and expenses for the 12 month period after**

<b>PROJECTED STATEMENT OF PROFIT &amp; LOSS</b>		
Applicant's Name:		SSN/EIN:
For the Period Beginning:		And Ending
<b>Gross Receipts:</b>		\$
Cost of Goods Sold:		
Beginning Inventory (If Applicable)	\$	
Add: Purchases		
Less: Ending Inventory		
Total Cost of Goods Sold		(-)
<b>GROSS PROFIT:</b>		\$
<b>OPERATING EXPENSES:</b>		
Proprietor's or Officer's Salary	\$	
Salaries to Employees	\$	
Employee Expenses	\$	
Payroll Taxes	\$	
Fuel	\$	
Electricity	\$	
Telephone	\$	
Automobile Expenses	\$	
Rent or Lease Payment	\$	
Office Supplies	\$	
Maintenance & Repairs	\$	
Dues & Subscriptions	\$	
Travel Expenses	\$	
Entertainment	\$	
Professional Services	\$	
Taxes & Licenses	\$	
Insurance	\$	
Advertising & Promotion	\$	
Bad Debts	\$	
Other	\$	
	\$	
	\$	
	\$	
Total Operating Expenses		(-)
<b>OPERATING INCOME</b>		\$
<b>OTHER EXPENSES:</b>		
Depreciation	\$	
Interest	\$	
Total Other Expenses		(-)
<b>OTHER INCOME:</b>		
	\$	
	\$	
	\$	
Total Other Income		(+)
<b>TOTAL NET INCOME</b>		\$

**EXPLAIN HOW YOU MADE THE ABOVE PROJECTIONS ON THE NEXT PAGE**



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**AUTHORIZATION TO OBTAIN CREDIT AND/OR RELEASE INFORMATION**

I authorize the Division of Investments to obtain information from, or release any information contained in my loan application and attachments to the following agencies:

- U.S. Department of Labor
- U.S. National Marine Fisheries Service
- U.S. Coast Guard
- Alaska Department of Fish and Game
- Alaska Commercial Fisheries Entry
- Commission Alaska Child Support Enforcement
- Division Alaska Permanent Fund Dividend
- Division Alaska Department of Public Safety
- Alaska Post Secondary Education
- Alaska Division of Motor Vehicles

I further authorize any individual or institution to release credit information concerning me to the Division of Investments. This authorization is given to enable the Division of Investments to evaluate my loan request. Verification may be obtained from any source named in this application and from any credit-reporting agency. I understand additional information may be requested as part of the quality control program at any time during the lending process.

It is understood that a photocopy of this form will serve as authorization.

Applicant's Signature:	Co-Applicant Signature:
Please Print Name:	Please Print Name:
Social Security Number:	Social Security Number
Date:	Date:



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**OATH**

I understand and agree that if I submit any false, inaccurate, or incomplete information in this application and attachments, I will be subject to the following:

My application will be denied.

If I receive a loan based on the false, inaccurate, or incomplete information, and this information is disclosed in the future, the loan will be canceled and immediately payable.

I certify under penalty of perjury that all the information provided in this application and attachments is true, accurate and complete. I am aware that the maximum penalty for perjury, a Class B felony under AS 11.56.200(c), is a fine of up to \$50,000 (AS 12.55.035(b)(2)) and imprisonment for up to 10 years (AS 12.55.125(d)).

Applicant's Signature:

Date:

Applicant's Signature:

Date:

**Acknowledgment**

State of Alaska                    )  
  ) ss.  
\_\_\_\_\_ Judicial District )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

By (Name of person(s) who acknowledged): \_\_\_\_\_

**APPLICANT'S PRINTED NAME(s)**

\_\_\_\_\_  
Notary Public/Postmaster

My Commission Expires: \_\_\_\_\_

If you become aware of inaccurate or incomplete information which is contained in your application, you should submit a written request to the Director of the Division of Investments which contains the following information:

A description of the challenged information

Changes necessary to make the information accurate or complete

Your name and address