



## Loan Program Application & Review Process

### Purpose

The Aiken Corporation Loan Program is designed to support projects that advance economic development, job creation, and community investment within Aiken and the surrounding region. The loan program serves as a strategic tool to provide financing for projects that align with the organization's mission while responsibly managing risk and ensuring compliance with local regulations.

The following phased process outlines the steps applicants and the Aiken Corporation will follow from initial inquiry through loan repayment and monitoring.

**Applicants are strongly encouraged to begin the City of Aiken zoning and permitting process immediately upon entering the Aiken Corporation Loan Program, as this step involves potential lead times and is a required component for project approval and execution.**

## Phase 1: Initial Inquiry & Eligibility Screening

### Purpose:

To determine whether a project aligns with the mission and priorities of the Aiken Corporation before a full application is submitted.

### Applicant Responsibilities

Applicants submit a preliminary loan inquiry that includes:

- Business or project name
- Project location
- Requested loan amount
- Purpose of loan funds
- Estimated project timeline
- Description of economic impact (jobs created, retained, or investment generated)



- Other financing sources involved

### **Aiken Corporation Responsibilities**

The Executive Director will conduct an initial screening to determine if the project aligns with the goals of the loan program.

Projects may be evaluated based on factors including:

- Economic development impact
- Job creation or retention
- Downtown or community revitalization
- Small business growth
- Gap financing needs

### **Outcome**

Applicants will receive one of the following responses:

- Invitation to proceed to the pre-application consultation
- Request for additional information
- Notification that the project does not align with the program criteria

## **Phase 2: Pre-Application Consultation**

### **Purpose:**

To allow applicants and the Aiken Corporation to discuss the project in greater detail and ensure expectations are clear before a formal application is submitted.

### **Participants**

- Executive Director
- Loan applicant
- Executive Committee

### **Discussion Topics**

- Project overview and scope
- Proposed financing structure



- Timeline and readiness
- Potential collateral
- Community and economic impact

### **Preliminary Documentation May Include**

- Business plan or project summary
- Initial financial projections
- Description of additional funding sources

### **Outcome**

Applicants may be invited to submit a formal loan application.

## **Phase 3: Formal Loan Application**

### **Purpose:**

To collect the documentation necessary to evaluate the loan request.

### **Required Application Materials**

Applicants may be required to submit the following documentation:

- Completed Loan Application Form
- Business financial statements
- Personal financial statement (if applicable)
- Business and/or personal tax returns (previous 2–3 years)
- Business plan or project description
- Project budget
- Sources and uses of funds statement
- Description of collateral
- Credit authorization form

### **Zoning and Regulatory Status**



Applicants must disclose the regulatory status of the proposed project and provide information related to:

- Current zoning designation
- Confirmation that the proposed use is permitted under zoning regulations
- Status of any required approvals including:
  - Zoning changes
  - Special use permits
  - Planning commission approvals
  - Historic district approvals (if applicable)
  - Site plan approvals
  - Building permits

Applications may be reviewed prior to final approvals; however, loan funding will be contingent upon obtaining all required regulatory approvals.

### **Outcome**

Applications deemed complete will proceed to underwriting and due diligence review.

## **Phase 4: Underwriting & Due Diligence**

### **Purpose:**

To assess the financial viability and risk associated with the loan request.

### **Financial Analysis May Include**

- Cash flow analysis
- Debt service coverage ratio
- Credit history review
- Collateral evaluation
- Project feasibility analysis

### **Due Diligence May Include**

- Site visits
- Verification of financial documentation
- Consultation with lending partners



- Market analysis or project feasibility review

Following the review, the Executive Director will prepare a **Loan Recommendation Report** summarizing the project, financial analysis, and recommended loan terms.

### **Outcome**

The loan recommendation is submitted to the Loan Committee or Executive Board for review.

## **Phase 5: Loan Committee Review**

### **Purpose:**

To provide additional financial oversight and evaluation of loan requests.

### **The Loan Committee may review:**

- Financial risk and underwriting analysis
- Community and economic impact
- Alignment with the Aiken Corporation mission
- Loan terms and collateral

### **Possible Outcomes**

- Recommend approval
- Recommend approval with conditions
- Request additional information or revisions
- Recommend denial

The committee's recommendation will be presented to the Board of Directors for final consideration

## **Phase 6: Board Approval**

### **Purpose:**

To provide final authorization for the loan.



The Board of Directors will review the loan summary, underwriting findings, and Loan Committee recommendation.

The Board may:

- Approve the loan
- Approve the loan with conditions
- Decline the loan request

Loans may be approved contingent upon the borrower obtaining all necessary regulatory approvals, including zoning compliance, planning approvals, and building permits.

### **Outcome**

If approved, the borrower will receive a **Loan Term Sheet** outlining the proposed loan terms and conditions.

## **Phase 7: Loan Closing**

### **Purpose:**

To finalize legal agreements and prepare for loan disbursement.

Prior to closing, borrowers must provide documentation confirming all required regulatory approvals have been obtained, which may include:

- Zoning compliance confirmation
- Planning commission approvals (if applicable)
- Site plan approval
- Building permits
- Historic district approvals (if applicable)

### **Loan Documentation May Include**

- Loan Agreement
- Promissory Note
- Security Agreement
- Personal Guarantees (if required)
- Collateral filings (UCC, mortgage, etc.)



## **Loan Disbursement**

### **Loan funds may be disbursed:**

- As a lump sum at closing, or
  - Through a scheduled draw process for construction or development projects
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## **Phase 8: Post-Loan Monitoring**

### **Purpose:**

To ensure compliance with loan terms and monitor project progress.

### **Borrowers may be required to provide:**

- Annual financial statements
- Progress or project status updates
- Confirmation of continued compliance with loan terms

The Aiken Corporation will monitor loan performance and maintain records of the loan portfolio.

## **Phase 9: Loan Repayment & Reinvestment**

Loan repayments return to the Aiken Corporation's revolving loan pool, allowing the organization to reinvest funds into future economic development projects that benefit the community.

