

## **TOWN OF BRISTOL REVOLVING LOAN FUND COMMITTEE CHECKLIST**

- Detailed minutes outlining term of loan, interest rate, amortization period, clearly stated collateral and the Town's position on collateral, and any agreement to sign a subrogation or subordination agreement with another financial entity or lender.  
Examples of collateral are
  - 1) UCC-1/Security Agreement on all Business Assets, including equipment and machinery.
  - 2) Mortgage Deed for real estate.
- Conduct a UCC Search through the Vermont Secretary of State and Town (if applicable).
- If you are loaning money for the purchase of equipment, proof of that purchase must be provided to the Town for their file. This proof of purchase should include the make, model, serial number, and amount paid.
- If you are requiring the business to stay in Bristol or pay back the loan in full if they leave, you need to discuss this with the borrower and have this clearly stated in the minutes, so it can be included in the loan documents.
- Continue the practice of having all borrowers sign a personal guarantee. And any corporation or business sign a guarantee.
- Detailed information from borrower(s) including full name, mailing address, phone number, date of birth and social security number or EIN.
- Be certain the borrower understands they will be paying the Town's attorney fees as well as their own attorney's fees and the .5% closing fee.
- Is this person a first-time business owner? Do they need advice from the Addison County Economic Development Corporation, and Vermont Small Business Development Center located in Addison County. If they are a first-time business owner, you may need to require they have their own attorney.
- Has the borrower indeed been turned down by a financial institution as required on application? If the Revolving Loan Fund Committee is not requiring this in a certain application, then it must be noted in the minutes that this requirement has been waived.

Updated as of February \_\_\_, 2024