

**US DOT
Short Term Lending Program
Application and Information**

**U.S. Department of Transportation
Office of the Secretary of Transportation
Office of Small and Disadvantaged Business Utilization**

*A financing program administered under cooperative agreements
between the U.S. Department of Transportation and several banks*

POLICY STATEMENT

I. INTRODUCTION

- A. The DOT Short Term Lending Program (STLP) is a national program designed to lend short term working capital to disadvantaged business enterprises (DBEs) in order to increase the number of DBEs that enter into transportation related contracts and to strengthen the competitive and productive capabilities of the DBEs that currently do business with the U.S. Department of Transportation, its grantees, recipients, their contractors and subcontractors.

The program is administered under cooperative agreements between the U.S. Department of Transportation (DOT) and one or more banks and is authorized under Subchapter 11 of the Department of Transportation Act, 49 U.S.C. 332, Pub. L 97-449.

B. Glossary of Terms

1. DBE - a disadvantaged business enterprise.
2. DOT - The United States Department of Transportation.
3. STLP Bank - A bank under cooperative agreement with DOT which provides loans and lines of credit.
4. Recipient - State and other agency such as the Airports Authority, the Transit Agency, or State DOT which receive Federal funding from DOT.
5. Loan guarantee – US DOT will guarantee up to 75% of each loan or line of credit.

II. ELIGIBILITY

- A. For the purpose of this Agreement, the term "Disadvantaged Business Enterprise" ("DBE"), which includes minority women-owned and disadvantaged businesses, is set forth at 49 Code of Federal Regulations (CFR) (23 and 26); under Section 1101 (b) of the Transportation Equity Act for the 21st Century (TEA-21) P.L. and corresponding sections of the Aviation Investment and Reform Act for the 21st Century, as amended by any regulations and interpretations issued there-under. Also certifications are accepted for Small Disadvantaged Business/Section 8(a) program and HUBZONE Empowerment Contracting Program, and Disabled Service Veteran under the U.S. Small Business Administration. For purposes of this document, "DBE" will be used to describe all businesses certified under the DOT regulation.

Certification of firms is performed by the individual recipients of federal transportation funds. Certification is not performed by the U.S. Department of Transportation or any of its divisions.

All firms defined by Section 8(a)/SDB/HUBZONE/DSV of the U.S. Small Business Administration Act are automatically recognized by all recipients and are eligible to participate in the DBE program, without any further recipient certification.

- B. The borrower must be performing under a transportation related contract. The term "transportation related" contract means a contract for the maintenance, rehabilitation, restructuring, improvement, or revitalization of any of the nation's modes of transportation with any public or commercial provider of transportation of any Federal, State or local transportation agency. This provision is applicable to any prime contractor or subcontractor, at any tier, of such a transportation provider or agency.

III. LOAN STRUCTURE AND TERM

- A. Loans are structured as revolving lines of credit to finance accounts receivable arising from transportation related contracts. Accounts receivable from any number of transportation related contracts may be financed under the same line of credit.
- B. The term of each line of credit is normally one year. Renewals of the line may be requested, and updated financial information must be provided to the STLP Bank for the evaluation and decision process.
- C. The eligible lengthen of time in the program is five years. A financial review will be made no less than a year before the borrowers graduation date to gauge the borrower's ability to establish credit relationship absent of DOT/STLP.
- D. Loan documentation is the responsibility of the STLP Bank, and the STLP Bank will administer the line of credit.

IV. ADVANCES AND REPAYMENT

- A. Advances under the line of credit are made upon presentation of invoices or requests for progress payments, as permitted by the contract, to the STLP Bank. The maximum advance against each invoice is 85% of the invoice amount.

- B. Repayment of each advance is effected at the time the project owner or prime contractor makes payment of each invoice. Payment of invoices will require the use of the two-payee payment system, wherein the STLP Bank and the DBE will be payees of any check paid by the project owner or prime contractor to the DBE, and the payment will be sent to the STLP Bank.
- C. The lines of credit are intended to provide short-term working capital to bridge the period between preparation and submission of the invoice and receipt of payment from the prime contractor or project owner. The customary uses of funds borrowed under the line are for payroll, materials and other project related items. Due to the short-term nature of each advance the funds are not available for long-term purposes, such as the purchase of equipment or other fixed assets; nor are they to be used for payment of non-current taxes, repayment of existing debt, or distributions to the company's owners. The funds are not available for start up businesses. The businesses should have a 2-3 year track record.

V. COLLATERAL

- A. The proceeds of the transportation related contracts are the primary collateral and source of repayment. Other collateral may be included in the offer of a line of credit such as keyman life insurance and personal guarantees.
- B. The STLP Bank's and DOT's collateral position shall be perfected by means of filings under the Uniform Commercial Code (UCC) and by assignment of contract proceeds.

VI. INTEREST RATE

The funds shall be loaned at the prime rate of interest that is published daily in the Wall Street Journal adjusted on the first day of each calendar month for the ensuing month plus one point and three quarters.

VII. LOAN DECISIONS

Loan approval decisions will consist of approval by the STLP Bank and co-approved by DOT.

While special consideration must be given to support the financial needs of DBEs in their early stages of development, decisions will include the basic parameters of sound credit judgment and standards.

VIII. BONDED PROJECTS

If a contracting agency or prime contractor requires bonding before performance can begin on a transportation related contract, the STLP Bank must receive evidence that the bond has been furnished before it makes advances under the line of credit against the accounts receivable from that contract.

IX. FEE

There is a \$150.00 application fee made payable to the STLP Bank at the time submittal of the STLP Application.

**DOT SHORT TERM LENDING PROGRAM
LOAN APPLICATION**

Applicant:

Address:

City, State, Zip:

Description of Business Operations:

Date Established:

Phone:

Email Address:

Fax:

Applicant's Bank:

Phone:

Address:

Account Officer:

Phone:

INFORMATION CONCERNING MANAGEMENT:

List all owners (having 20% or greater interest), officers, and/or directors:

Name:

Title:

Address:

Percent of Ownership:

Annual Compensation:

Name:

Title:

Address:

Percent of Ownership:

Annual Compensation:

Name:

Title:

Address:

Percent of Ownership:

Annual Compensation:

List the applicant's attorney, accountant and insurance company/agent:

Attorney:	Phone:
Address:	
Accountant:	Phone:
Address:	
Insurance Company:	Phone:
Agent:	
Address:	

Line of Credit Amount Requested: \$ _____

How do you plan to use the line of credit proceeds?

	Amount (\$)
1. Carry Accounts Receivable	_____
2. Payroll	_____
3. Other	_____
4.	_____
5.	_____
6.	_____
7.	_____
Total:	\$ _____

Primary Collateral: The transportation related contract(s) supporting the line of credit application will be the primary source of collateral and repayment. Describe the transportation related contract(s) as follows:

<u>DOT Contract</u>	<u>Amount</u>	<u>Starting Date</u>	<u>Estimated completion date</u>
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Other Collateral Available:

Real Estate
Inventory
Accounts Receivable
Machinery/Equipment
Other:
Other:
Total Collateral

Present Market Value (\$)

Present Loan Balance (\$)

Are there any affiliated businesses (businesses which share common ownership with the applicant)?

- Yes If Yes, please provide the business name(s) and financial statements:
 No
-

Are you now (or have you ever been) subjected to any claim for additional taxes?

- Yes If Yes, please explain:
 No
-

Are any federal, state or local taxes now past due? (if so cannot accept application until paid in full and proof is provided)

- Yes If Yes, please describe:
 No
-

Are any liabilities other than taxes now past due?

- Yes If Yes, please explain:
 No
-

Are there currently any bankruptcy, insolvency proceedings, or pending lawsuits?

- Yes If Yes, please describe:
 No
-

SIC and NAICS codes

SIC:

NAICS:

Contingent Liabilities:

As Guarantor, Endorser, or Co-Maker:

Other Contingent Debts: (contracts, leases, etc.):

DBE INFORMATION

Disadvantaged Business Enterprises (DBEs), which include women owned businesses and minority owned businesses, are set forth in 49 Code of Federal Regulation, Part 23.

The applicant, _____ certifies that it is a Disadvantaged Business Enterprise and that the contract or contracts to be financed is/are transportation related.

Basis for DBE Status: (check as appropriate)

- | | |
|---------------------------------|---|
| <input type="checkbox"/> Female | <input type="checkbox"/> Hispanic |
| <input type="checkbox"/> Asian | <input type="checkbox"/> Indian/Alaskan |
| <input type="checkbox"/> Black | <input type="checkbox"/> Other: _____ |

Name of Agency which Certified your Business as a DBE:

OTHER SBA CERTIFICATION:

Section 8(a)
Small Disadvantaged Business (SDB)
HUBZONE
Disabled Service Veteran (DSV)

In submitting the foregoing application, the undersigned guarantees its accuracy with the intent that it be relied upon by the STLP Bank and the U.S. Department of Transportation in extending credit to the undersigned and warrants that the undersigned has not, knowingly, withheld any information that might affect its credit risk; and the undersigned expressly agrees to notify, immediately, said bank and the U.S. Department of Transportation, in writing, of any material change in its financial condition.

Signature of Preparer: (if other than applicant)

Type Name of Preparer:

Address of Preparer:

If applicant is a proprietorship or partnership, sign below:

Name_____Title_____Date

If applicant is a corporation, sign below:

Name_____Title_____Date
(SEAL)

APPLICATION PROCEDURES

I. CONTENTS OF APPLICATION PACKAGES

Each loan package is to include all items listed on the following Exhibit Checklist (Section II) or an explanation for any omission.

Additional explanatory items may be included to expand or clarify the application materials, such as: letters describing existing bank lines or credit or other borrowing capacity; references from suppliers; or recommendations resulting from previous job performance.

A loan package, which is obviously incomplete and is such that a proper credit evaluation cannot be completed, may be returned to the sender for completion.

II. EXHIBIT CHECKLIST

- _____ 1. DOT Short Term Lending Program Loan Application (dated and signed)

- _____ 2. Financial Records for business:
 - _____ a) Three years business financial statements
 - _____ b) Three years business tax returns

Note: Business financial statements should be prepared by an independent CPA firm and include the accountant's cover letter, balance sheet, operating statement, any additional statements and schedules, and any accompanying notes. If the latest financial statements are more than 90 days old, interim financial statements are to be furnished which may be management prepared.

- _____ 3. Financial Records personal: (for each proposed guarantor)
 - _____ a) Current personal financial statement (dated and signed)
 - _____ b) Three years personal income tax returns

- _____ 4. Detailed cash flow projections covering the term of the line of credit, to be prepared on a monthly basis and to include all assumptions and any supporting information

- _____ 5. Applicant's Current Statement of Work in Progress

- _____ 6. List of Completed Contracts over the past 12 months
- _____ 7. Certification as a disadvantaged business enterprise or evidence of inclusion in one of the Small Business Administration's programs (8(a); SDB; HUBZone; DSV)
- _____ 8. A complete copy of each transportation-related contract or subcontract for which the requested line of credit is intended
- _____ 9. Current Agings of Accounts Receivable
- _____ 10. Current Agings of Accounts Payable
- _____ 11. Certificate of Incorporation, Articles of Incorporation, partnership agreement, or other evidence of formation and registration of the business entity; Certificate of Good Standing
- _____ 12. Brief history of the company and expected benefits of the loan
- _____ 13. Resume of all operating officers
- _____ 14. 3 business or trade reference letters (at least the bank reference letter)
- _____ 15. Detailed list of plant, property, equipment, and related loans secured by such assets
- _____ 16. Information on other collateral offered
- _____ 17. Names and Financial Statements of all affiliated businesses (in excess of 20% ownership)
- _____ 18. Information on bonding and insurance
- _____ 19. Signed paragraph that all taxes are current
- _____ 20. Tax ID number

III. TECHNICAL ASSISTANCE

Firms may consider utilizing the services of: the US. DOT's TEAMS (located at <http://osdbuweb.dot.gov/>; (<http://osdbuweb.dot.gov/business/mp/miphtml3.html>) the U.S. Department of Commerce, Minority Business Development Centers; the Small Business Administration, Small Business Development Centers; or State Supportive Services programs as possible sources for assistance or guidance in preparing loan application packages.

IV. STLP BANKS

Application packages are to be submitted directly to the STLP Banks which service the geographical areas listed below.

GA, AL, MS

Citizens Trust Bank
75 Piedmont Avenue
Atlanta, GA 30303

David D. Mitchell, VP
Commercial Lending Officer
Telephone (404) 653-2603
Fax: (404) 659-6424
email david.mitchell@ctbatl.com

Fred Daniels, Senior VP
Commercial Lending
(404) 653-2614
Lynnette Crosslen, Loan Administrator
(404) 653-2899
email: lynette.corsslen@ctbatl.com

Hours: Monday-Friday
9:00 am-5:00pm (EST)

IL, IN, MI, MO, OH, MN, WI, IA, KY

International Bank Of Chicago
5069 North Broadway
Chicago, IL 60640
Web site: www.inbk.com

Scott Wiley, Commercial Loan Officer
Telephone: (773) 769-2899 or (708) 410-2899
Fax: (773) 769-2686
email: scott.wiley@inbk.com

Hours: Monday thru Friday
9:00 am-5:00pm CST

VA (Outside Washington, DC Metropolitan Area)

Virginia Community Development Loan Fund
1624 Hull St.
Richmond, VA 23224

Janice Fraites, Loan Officer
Telephone: (804) 233-2014
Fax: (804) 233-2158
Email: jfraites@vcldf.org

Hours: Monday thru Friday
8:30 am-5:00 pm (EST)

CO, KS, NE, SD, ND, NM, AZ, WY, UT, MT, ID, NV, OR, WA, CA

Native American Bank, N.A.
165 South Union Blvd., Suite 1000
Denver, CO 80228
Office: (303) 988-2727
Fax: (303) 988-5533
Website: <http://www.nabna.com>

Pam Nesius, Vice President
Telephone: (720) 963-5505
Cell: (720) 289-5951
email: pnesius@nabna.com

Chris Manchester, Vice President
Telephone: (720) 963-5535
Cell: (720) 635-2509
Email: cmanchester@nabna.com

Hours: Monday-Friday 8:00am-5:00pm (MST)

Washington, DC Metropolitan Area including MD, VA and the District of Columbia

Adams National Bank
1130 Connecticut Ave., N.W
Suite #200
Washington, D.C. 20036
Susan Banks, VP, Commercial Lending
Telephone: (202) 772-3721
Fax: (202) 835-3871
email: sbanks@adamsbank.com
Website: <http://www.adamsbank.com>
Hours: Monday-Thursday 9:00am-3:00pm
Friday 9:00am-5:00pm (EST)

CT, DE, HI, ME, MD, MA, NH, NJ, NY, NC, PA, RI, SC, TX, VT, WV, Puerto Rico, U.S. Virgin Islands

Nancy Strine, Manager - Short Term Lending Program
U.S. Department of Transportation
Office of Small and Disadvantaged Business Utilization S-40
400 7th St., SW, Rm. 9410
Washington, DC 20590
Telephone: (800) 532-1169 ext. 65343 or (202) 366-5343
email: nancy.strine@ost.dot.gov

The State of Florida

Continental National Bank of Miami
240 East Flagler Street
Miami, Florida 33131
Frank T. Santana, Vice President
Telephone: (305) 374-9330
Fax: (305) 374-5173
email: ftsantana@continentalbank.com
Hours: Monday thru Friday 9:00 am—5:00pm (EST)

California

Far East National Bank

Northern CA
Eric Norman
Vice President/Branch Manager
1423 Broadway
Oakland, CA 94612
(510) 267-6818
Fax: (510)267-6801
Email: eric.norman@fenb-us.com

Southern CA
Charles Wang
Vice President
977 N. Broadway, Suite 201
Los Angeles, CA 90012
(213) 687-2501
Fax: (213) 626-2431
Email: charles.wang@fenb-us.com
Hours: Monday-Friday 8:30am to 5:00pm (PST)

*If you require additional information or assistance concerning
the Short Term Lending Program, please contact:*

U.S. DEPARTMENT OF TRANSPORTATION
OFFICE of SMALL and DISADVANTAGED BUSINESS UTILIZATION
400 Seventh Street, SW, Room 9410
Washington, D.C. 20590
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