



Stabilization Loan Application

Thank you for applying for a Stabilization Loan from NeighborWorks Capital! Especially in this time of extreme stress and disruption, NC's mission is to support the NeighborWorks network as best we can, and flexible, responsive financing is the best tool we have. Please completely answer all of the questions and all of the fields and checkboxes and email us the completed form along with the required schedules and other supporting documentation.

Your application will not be processed until all required information has been received, including receipt of the \$1,000 application and origination fee. You can send the fee electronically to us by wire or ACH.

Application and Approval Process

In order to meet your organization's need for flexible capital in this time of severe community, organization, and financial disruption, our goal is to have loan approval and closing completed as quickly as possible. To move as rapidly as possible we will need your help and prompt response to reduce any delays.

Please attend one of our informational webinars (or view the recording) and check our [Stabilization Loan webpage](#) for updated information and FAQs

1. NWO submits completed Loan Application package, including [all of the schedules](#), financial statements, staff information, and application fee. If you have application materials from another recent financing request (e.g., SBA PPP loan) that explains your current liquidity challenges, please submit them with the Application. If you have existing reports that include the information required in the schedules, please talk to your Loan Officer before submitting them.
2. Your [Cash Flow Forecast](#) will be a key part of evaluating your loan request. Your need for this loan and how it will be repaid are based on your corporate cash flow, which has been put under pressure by the COVID-19 crisis. We need to understand your historic cash flow sources, and how those have changed currently, and how you expect them to change over the next couple of years. Please be thorough and practical in completing this forecast, and make sure you include both NC's Stabilization Loan funding and scheduled principal repayments in the forecast.
3. The Loan Officer will work on underwriting your request for submission for credit approval. This stage may involve additional clarifying questions regarding your lines of business, specific impacts of the COVID-19 mitigation measures, and your organization's plans for recovery. Any loan requests that are declined will be notified during this underwriting stage within **five (5)** business days of receipt of a **complete** application package and application fee.
4. After reviewing your application, the Loan Officer will provide you with a term sheet describing the loan amount, term, interest rate, amount to be funded, principal repayment schedule, and the reporting/monitoring requirements. We expect term sheets to be provided within 10 to 15 days of your submission of a complete loan application. Please review the term sheet and discuss questions with your loan officer. Sign the term sheet and return it to us.
5. After we receive the signed term sheet, the Loan Officer will prepare and submit the loan request to the CEO for approval. If the loan request is approved, the Loan Officer will notify you by email. NC will draft loan documents and a checklist of items needed to close the loan and send them to you within **three (3)** business days of approval. The documents will not be negotiable, in order to maintain the pace of closing.
6. The closing checklist will include several administrative items that may require a few days for you to obtain. The key items are the Board Resolution to Borrow; Certification of Corporate Secretary; Certificate of Good Standing; and evidence of corporate liability insurance. It will typically take several days for you to secure formal Board approval for taking on the loan.
7. Once the Loan Documents have been executed and all documents required on the checklist have been received by NC, we will release the funds directly to you by wire. Our goal is to have loans funded within **ten (10)** business days of approval.

Applicant Information

Borrower

Address

City State ZIP

Contact

Email Phone

Date of most recent OAD Program Review Current NWA Rating

Has the Borrower or its affiliates experienced a foreclosure or loan default in the last 5 years? Yes No

If Yes, please explain

Loan Request

Requested loan amount (\$500,000 maximum) Requested loan term (24 months maximum)

The questions that follow, and your detailed responses, are key to rapid evaluation of your application. The more information that you provide means that we can make a decision about your loan request within 10 business days. Please be thorough, detailed, and specific in your responses. If the space below is not sufficient, please attach additional pages, including the question number.

1. Please explain in detail your NWO's need for this Stabilization Loan. What specific revenue sources have been, or do you expect will be reduced by the COVID-19 crisis? How large a reduction in those sources do you project through the end of 2020?

2. *Alternative financing options* – what other financing sources (public or private grants and donations; commercial loans and lines of credit; SBA loans, etc.) have you applied for or already received? Are there limitations on how those funds can be used? (Please state the funding amounts requested/received)

3. *Real estate portfolio performance* – what percentage of your tenants (residential and commercial) have requested rent deferrals in 2020? What is the dollar amount of rent that you have NOT collected as a result? How much do you expect that to increase over the next 3 months?

4. *Repayment sources* – What are the **specific** revenue sources your organization will be recovering or generating that will be available to make the structured principal repayments?

5. *Staff Capacity* – A key part of managing this kind of loan, under the current circumstances, is getting accurate and timely financial reporting. Please explain your internal process, including date deadlines, for preparing and reviewing your quarterly and annual financial statements.

6. *Real estate development* – How much of your real estate development pipeline have you stopped or paused because of the COVID-19 crisis? What are the key milestones for restarting these projects?

Permission to Share Information

DISCLOSURE, RELEASE, and HOLD HARMLESS AGREEMENT

RE:Application for loan to [redacted], (the "Applicant")

as a member of the network of NeighborWorks® America nonprofit organizations, hereby submits a loan application to NeighborWorks Capital ("NC") and in exchange for NC's consideration of making a loan to Applicant, gives permission to NC to request any chartering reports, Program Reviews or other financial or program information from NeighborWorks America. Further, Applicant gives permission to NC to disclose any and all documents, due diligence and other information ("Applicant Information") that NC receives from Applicant or any other source pertaining to the Applicant and the potential loan to Applicant, to NeighborWorks® America.

In addition, Applicant hereby releases, holds harmless and indemnifies NC and NeighborWorks® America and all of their respective directors, officers, employees, agents, representatives, consultants, attorneys and advisers and all persons acting by, through, under, or in concert with any of them, from any and all claims, losses, damages, injuries, fines, penalties and costs (including court costs and attorneys' fees), charges, liabilities or exposures, however caused, resulting from, arising out of, or in any way connected to the disclosure of Applicant Information. The undersigned acknowledges any costs or fees (such as, but not limited to legal, appraisal, or inspection fees) incurred by NeighborWorks Capital Corporation during the underwriting process will be the responsibility of the Applicant whether or not the loan is denied, approved or closed.

By signing below, the Applicant has read and understands this DISCLOSURE RELEASE AND HOLD HARMLESS AGREEMENT and agrees to its terms. By signing below the Applicant also certifies that all information provided is true and accurate as of the following date.

I agree

Authorized Official Name

Title

Date

Additional Documentation

Required

- Prior three (3) years audited financial statements with notes, supplementary information, and management letter
- Balance sheet and income sheet for last quarter end
- Biographies of key staff and consultants
- Cash flow history and projection ([form provided](#))
- REO Schedule ([form provided](#))
- Debt Schedule ([form provided](#))

If Applicable/Available

- Recent funding applications (for SBA PPP, bank loan, grant, etc.)