



## OBTAINING A B&I GUARANTEED LOAN *with "ONE-DOC"* Business & Industry (B&I) Processing Guide and Application Checklist

### *"One-Doc"*

Proposed B&I loans of **\$600,000 or less** may be processed using a more streamlined, simplified submittal – *"One-Doc"* (because only one Federal form is required). Lenders are still responsible for all normal due diligence in their underwriting. The lender's files should contain appropriate appraisals, business plans, historical financial statements, personal financial statements, credit reports, etc., but these do not need to be submitted to USDA unless USDA determines that the proposed loan appears to carry a significant risk of default.

### THE *"One-Doc"* APPLICATION PROCESS

A *"One-Doc"* B&I application package requires information from both the business and the lender, with the lender coordinating these efforts. With *"One-Doc"*, the preapplication/complete application sequence is compressed into a single, abbreviated application submittal with only one Federal form normally required (see Exhibit A). Within 7 to 60 days of receiving a complete application (and normally much more quickly), USDA will make a final approval decision. B&I loan processing is coordinated by the Oregon USDA Rural Development State Office, but to provide timely service, selected USDA loan officers around the state (listed below) do the processing.

### B&I Program contacts in Oregon:

Northwestern Oregon:	Dan Streng, Business Programs Specialist 1201 NE Lloyd Blvd., Ste. 801, Portland, OR 97232 (503) 414-3368; fax 414-3397; <a href="mailto:dan.streng@or.usda.gov">dan.streng@or.usda.gov</a>
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Southwestern Oregon:	Deanna Quimby, Business Programs Specialist 2440 NW Troost St., #200, Roseburg, OR 97470 (541) 673-0136 x120; fax 672-3818; <a href="mailto:deanna.quimby@or.usda.gov">deanna.quimby@or.usda.gov</a>
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Eastern Oregon:	Don Hollis, Business Programs Specialist 200 SE Hailey Ave., Ste. 105, Pendleton, OR 97801 (541) 278-8049 x129; fax 278-9070; <a href="mailto:don.hollis@or.usda.gov">don.hollis@or.usda.gov</a>
Eastern Oregon:	LaDonn McElligott, Business Programs Specialist 1901 Adams Ave., Ste. 1, La Grande, OR 97850 (541) 963-4178 x103; fax 962-1022; <a href="mailto:ladonn.mcelligott@or.usda.gov">ladonn.mcelligott@or.usda.gov</a>
Oregon State Office:	Jeff Deiss, Business & Cooperative Program Director 1201 NE Lloyd Blvd., Ste. 801, Portland, OR 97232 (503) 414-3367; fax 414-3397; <a href="mailto:jeff.deiss@or.usda.gov">jeff.deiss@or.usda.gov</a>

## Exhibit A – Contents of a "One-Doc" B&I Application

The following items constitute a complete "One-Doc" B&I application.

### **Completed Jointly by the Lender and Applicant:**

1. Form 4279-1A, "Application for Loan Guarantee (Business & Industry Short Form – One-Doc)." The form is on-line at: <http://www.rurdev.usda.gov/or/bizglhelp.htm>

### **Completed by the Applicant:**

2. A current (not more than 90 days old) balance sheet and a *pro forma* balance sheet, showing the business's new assets and debts once the proposed loan project is completed. (*NOTE: Assets should be valued at cost less accumulated depreciation.*)
3. Detailed projected income statements, balance sheets, and cash flow statements for the next 2 years, with an explanation of the assumptions used in the forecasts.

### **Completed by the Lender:**

4. The lender's credit analysis of the proposed loan. This must include spreadsheets comparing the applicant's past and projected financial statements, analyzing financial ratios, and comparing the business with industry averages.
5. A draft of the lender's proposed loan agreement with the borrower. Please note that it must address all of the following issues:

#### Negative Covenants:

- Limitations on purchase or sale of equipment and fixed assets.
- Limitations on compensation of officers and owners.
- Restriction on dividend payments.
- Restrictions concerning consolidations, mergers, or other circumstances.
- Prohibition against assuming liabilities or obligations of others.
- Limitations on selling the business without the concurrence of the lender.

#### Financial Standards Covenants:

- Minimum working capital or current ratio requirement.
- Maximum debt-to-net worth ratio.

#### Financial Reporting Requirements:

- Type and frequency of submission of financial statements. (*Note: The borrower and all guarantors must provide financial statements at least annually. Nonprofits and public bodies must meet federal audit standards in their financial reporting.*)

### ***Items 6 & 7 are only needed if the project involves construction:***

6. Form RD 1940-20, "Request for Environmental Information." **Complete items 1, (not 2), 3, & 4.** USDA will advise you if it is necessary to contact the State Historic Preservation Officer (SHPO). The form is on-line at: <http://www.rurdev.usda.gov/or/bizglhelp.htm>
7. "Supplemental environmental information". The format is on-line at: <http://www.rurdev.usda.gov/or/bizglhelp.htm>