



32nd Annual 2012 DBE Small Business Development Conference

SHORT TERM LENDING PROGRAM

Presented by:

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USDOT SBTRC - Great Lakes Region**



SHORT TERM LENDING PROGRAM (STLP) DESCRIPTION

- **PROVIDES A LOAN GUARANTEE ON A REVOLVING LINE OF CREDIT**
- **PRIMARY COLLATERAL IS RECEIVABLES FROM A FEDERAL FUNDED TRANSPORTATION CONTRACT(S)**
- **PARTICIPANTS CAN APPLY FOR RENEWAL FOR UP TO 5 YEARS**



STLP Program Description – Cont.

- **MAXIMUM LOAN AMOUNT \$750,000**
- **SUBCONTRACT AT ANY TIER IN TRANSPORTATION RELATED FIELD**
- **APPLICATION FEE OF \$150.00 PAYABLE TO THE BANK PLUS 1% POINT**
- **INTEREST RATE BASED ON WSJ VARIABLE RATE (6-6.5%)**



PROGRAM ADMINISTRATION

- **The STLP is administered by the DOT OSDBU through cooperative agreements between DOT and several STLP Participating Lenders (PLs)**
- **Loan documentation and financing transactions are performed by the Participating Lender (PL)**
- **Loan application processing turnaround is 30-60 days**





HOW TO APPLY: KEY STEPS

*ESTABLISH
ELIGIBILITY*



*COMPLETE APPLICATION
& PREPARE PROPER
DOCUMENTATION*



*SUBMIT COMPLETED
APPLICATION & FEE TO
PARTICIPATING LENDER*



ESTABLISH ELIGIBILITY

**(a) CERTIFIED AS A DBE UNDER DOT CERTIFICATION
GUIDELINES (49 CFR, PART 23 & 26)**

- OR -

**CERTIFIED BY THE U.S. SMALL BUSINESS ADMINISTRATION
SECTION 8(A) PROGRAM, HUBZONE, DISABLED VETERAN
OR SERVICE DISABLED VETERAN OWNED BUSINESS**

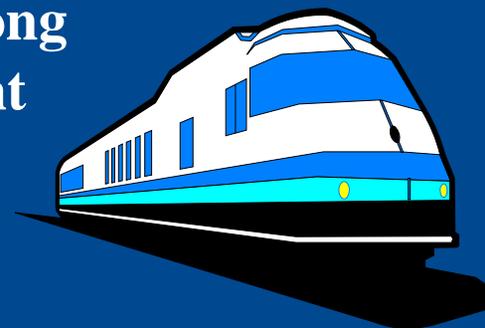
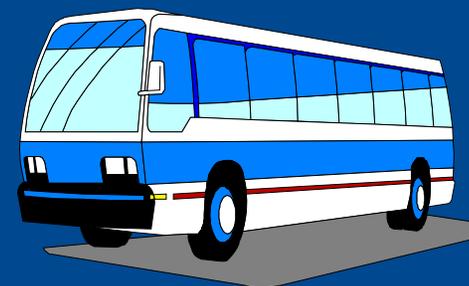
**(b) HAVE A CURRENT FEDERAL FUNDED TRANSPORTATION-
RELATED CONTRACT**

(c) MUST BE CURRENT ON FEDERAL, STATE and LOCAL TAXES



ELIGIBLE ACTIVITIES

- ✿ Maintenance, rehabilitation, restructuring, improvements, or revitalization of any of the nation's transportation modes – public, commercial, Federal, State, or local agency
- ✿ Funds may **NOT** be used for: contract mobilization; equipment purchases or other long term uses; refinance of existing debts; payment of non-current taxes; distributions or other payments to stock holders





COMPLETE STLP APPLICATION/ DOCUMENTATION AND SUBMIT TO PL

- 1. Fill out DOT OSDBU STLP application, date and sign.**
- 2. Prepare Documentation: Proper documentation is listed on the STLP Application Checklist.**
- 3. Submit to Participating Lender (PL) for Approval**
- 4. After PL approves the loan, DOT will receive a copy of the application package to review and make a final decision on the loan guarantee request.**



Sample Documentation

- **Three Years of Business Financials Statements and Federal Tax Returns**
 - **Self Complied vs. Reviewed vs. Audited**
- **Current Aging Reports of Receivable and Payables**
 - **Should be 90 days current**
- **Cash Flow Projection Covering the Term of the Loan**
 - **Cash flow month to month analysis of your position** cash



Sample Documentation Cont.

- **Current DBE Certification or Other Eligible SBA Certifications - Include updated annual DBE affidavit**
- **Business Information Documents - Articles of Incorporation, Partnership Agreement, evidence of proper business registration**
- **Company History & Capability Statement**
- **List of Completed Contracts (Past Performance) - List all contracts completed in the past 12 months**



Sample Documentation Cont.

- **Three Years of Personal Tax Returns and Personal Financial Statement**
- **Three Business / Trade Reference Letters**
 - Two (2) applicant's contract performance
 - One (1) relating to financial performance
 - Dated within past six months of application date
- **Resume of Key Management**
- **Work-in-Progress (WIP) Schedule - Include all jobs currently under contract**



PARTICIPATING LENDER (PL)

- **Seaway Bank in Illinois**
- **Seeking to add additional lender(s) in Michigan**



FUNDS ADMINISTRATION

- **Funds are borrowed against each invoice of the contract (s)**
- **Repayment occurs as the project owner or prime/general contractor pays the invoice. The payment is made jointly to the borrower and to the PL Bank and is sent to the bank, which repays the amount borrowed against the invoice and transmits the balance to the borrower.**



Top Upcoming MDOT Contracts

ITEM NO	CONTRACT ID	CONTROL SEC.	JOB NO.	FEDERAL NO.	FED ITEM	
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1204 044	72061-83288	NH	72061	83288A	NH 1272(317)	HH7828

6.49 mi of hot mix asphalt base crushing, shaping, and resurfacing on I-75 from the east Roscommon County line westerly to west of Maple Valley Road, Roscommon County. This project includes two 5 year materials and workmanship pavement warranties.

5.00 % DBE PARTICIPATION REQUIRED

Project Estimated Total Dollar Amount: \$9,699,000



Top Upcoming MDOT Contracts – Cont.

ITEM NO	CONTRACT ID	CONTROL SEC.	JOB NO.	FEDERAL NO.	FED ITEM
1204 045	46161-87522	HIP 46072	113164A	HIP 1246(011)	HH7849
		NH 46062	113165A	NH 1246(012)	HH7850
		STUT 46161	87522A	STP 1246(013)	HH7851

9.75 mi of hot mix asphalt reconstruction, cold milling, and resurfacing including concrete curb, gutter, sidewalk, and ramps, storm and sanitary sewer, watermain, and signal upgrades on M-52 from US-223 northerly to south of M-34, from south of the US-223 intersection northerly to US-223, and from South Street northerly to Valley Road, and on US-223 from Industrial Drive easterly to west of Ogden Highway in the city of Adrian, Lenawee County. This project includes a 5 year materials and workmanship pavement warranty and a 3 year pavement performance warranty.

5.00 % DBE PARTICIPATION REQUIRED

Railroad Protective Liability Insurance Required

Project Estimated Total Dollar Amount: \$8,146,000



Top Upcoming MDOT Contracts – Cont.

ITEM NO	CONTRACT ID	CONTROL	SEC.	JOB NO.	FEDERAL NO.	FED ITEM
1204 084	82023-111686-2	IM	82023	111686A	IM 1282(026)	KK2836
		IM	82023	111751A	IM 1282(027)	KK2837
		IM	82023	113119A	IM 1282(028)	KK2838
		IM	82023	113887A	IM 1282(055)	KK2883
		STE	82023	115208A	STP 1282(056)	RR7983

4.95 mi of cold milling, resurfacing and overlay, lighting, fencing, landscaping, concrete sidewalk ramps, superstructure and joint replacement, epoxy overlay, deck patching, structural steel repair, cleaning and coating existing structural steel, substructure repairs, approach, roadway reconstruction, and maintaining traffic on 9 bridges on I-94 from Wier Street to Trumbull Avenue and from Wyoming Avenue to 2nd Avenue in the city of Detroit, Wayne County. This project includes a 3 year materials and workmanship pavement warranty and a 2 year bridge painting warranty.

7.00 % DBE PARTICIPATION REQUIRED

Project Estimated Total Dollar Amount: \$7,442,000



APPLICATION ASSISTANCE

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Other Services

- Business counseling
- Bonding assistance
- Procurement assistance
- Administer the Women & Girls Internship program



Thank you for your time
and enjoy the rest of the
conference!