**HI-CAP Loans Program**

**Borrower Application & Certification**

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| **Checklist:** Please submit the following documents and information with this completed and signed application. |

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| **Company Information** |  | **Owner(s) and Management Information** |
|  [ ]   | Company financial statements for the last three years. |  | **All persons with 20% or greater ownership interest AND officers,**  |
|  [ ]   | Interim financial statements dated within the last 60 days. |  | **Directors, or key employees, regardless of ownership:** |
|  | Company Federal & State tax returns for the last three years, |  |  [ ]   | Resume (please use form available on website) |
|  [ ]   | including all schedules (executed by authorized officer). |  | **Organizations, Members, Partners or Individuals with 20% or**  |
|  [ ]   | Business Plan and Proforma Projections |  | **greater ownership interest:** |
|  | Project Information (Construction Proposal, Lease Agreement |  |  | Personal Financial Statement dated within 60 days of the  |
|  [ ]  | Real Estate Purchase Agreement, Studies, etc.) as applicable |  |  [ ]   | Application date (Bank form acceptable, optional form available). |
|  [ ]   | Appraisal, as applicable |  |  | Personal Federal and State tax returns for the last three years |
|  [ ]   | Other relevant information, as applicable. |  |  [ ]  | (signed by taxpayer(s)), including all schedules and K-1s |
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| **Other Capital Providers** |  | **Legal Documents** (as applicable) |
|  [ ]   | Financing Term Sheet(s) |  |  |

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| Organizational Documents (e.g., Articles of Incorporation, |

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|  [ ]   | Letters of Intent (equity or debt) |  |  [ ]   | Articles of Organization, Partnership Agreement, etc.) |
|  [ ]   | Resume of Capital Provider(s) (if individuals) |  |  [ ]   | Governance Documents (e.g., By-laws, Operating Agreement) |
|  | Website or Company Information on capital providers |  |  [ ]   | Evidence of nonprofit status (as applicable) |
|  [ ]   | (if a financial institution, private lender or Foundation). |  |  | Schedule listing names and contact information of all owners |
|  [ ]   | Other relevant information, as applicable. |  |  [ ]   | (including minority owners), and % ownership interest |
|  |  |  |  [ ]   | Long-Form Trust Agreements |
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| **Company Information** |

Legal Business Name (“Applicant”):       EIN:

DBA (if applicable):       Date Established:

Headquarters Address:       City:       ST:       Zip:

Mailing Address:       City:       ST:       Zip:

Company Email:       Phone:       Website:

Primary Contact Person Name:       Title:

Mailing Address:       City:       ST:       Zip:

Office Phone:       Cell Phone:       Email address:

NAICS Code:       Hawaii Tax I.D. Number:

Type of Entity: (check one): [ ]  Proprietorship [ ]  Partnership/LLP [ ]  Limited Liability Company

[ ]  C-Corporation [ ]  S-Corporation [ ]  Joint Venture [ ]  Nonprofit

[ ]  Other:

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| **List all partners and owners who have 20% or greater ownership, as well as officers, directors and key employees (regardless of ownership):** |
| Name (first, middle, last)      | Date of Birth      | Title      | % Ownership     % |
| Residence Address (street address, city, state, zip)      | [ ]  Own [ ]  Rent | Social Security Number      | Trust Account[ ]  Yes [ ]  No |
|  |  |  |  |
| Name      | Date of Birth      | Title      | % Ownership     % |
| Residence Address (street address, city, state, zip)      | [ ]  Own [ ]  Rent | Social Security Number      |

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| Trust Account[ ]  Yes [ ]  No |

 |
| Name      | Date of Birth      | Title      | % Ownership     % |
| Residence Address (street address, city, state, zip)      | [ ]  Own [ ]  Rent | Social Security Number      | Trust Account[ ]  Yes [ ]  No |
| Name (first, middle, last)      | Date of Birth      | Title      | % Ownership     % |
| Residence Address (street address, city, state, zip)      | [ ]  Own [ ]  Rent | Social Security Number      | Trust Account[ ]  Yes [ ]  No |
| Name (first, middle, last)      | Date of Birth      | Title      | % Ownership     % |
| Residence Address (street address, city, state, zip)      | [ ]  Own [ ]  Rent | Social Security Number      | Trust Account[ ]  Yes [ ]  No |

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| **Affiliate Businesses** List any other business owned by any principal with 20% or more ownership in the operating company. |
| Business Name      | Owner      | % Ownership     % |
| Business Name      | Owner      | % Ownership     % |

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| **Business Information** |
| Primary business activity (e.g,, Retail, Manufacturing, etc.):      |
| Gross Revenue, Last Fiscal Year:$      | Net Income, Last Fiscal Year:$      | Gross Revenue, Current Year:$      |
| Current Number of Full-Time[[1]](#footnote-2) Employees:      | Current Number of Part-Time[[2]](#footnote-3) Employees:      | Average Wages:$      |
| **With the SSBCI supported loan, please estimate the following information:** |
| # Full-Time Jobs Created in 2 Yrs:      | # Full-Time Jobs Retained:      | # Part-Time Jobs Created in 2 Yrs:      | # Part-Time Jobs Retained:      |
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| **Project Information** (Attach additional sheets, if required) |
| Description of Project      |
| **Sources of Funds** Please attach detailed project costs. |
| Equity From:       | $      |      % |
| Equity From:       | $      |      % |
| Loan From:       | $      |      % |
| Loan From HGIA:       | $      |      % |
| Other:       | $      |      % |
| **Total Project Costs:** | **$**      | **100%** |
|  |  |  |
|  |  |  |
| **References** |
| Bank Name      | Account Officer      | Email Address:      |
| CPA Firm      | Accountant’s Name      | Email Address:      |
| Law Firm      | Attorney’s Name      | Email Address:      |
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| Insurance Agency      | Attorney’s Name      | Phone Number      |

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| Agent’s Name      | Attorney’s Name      | Phone Number      |

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| Email Address:      | Attorney’s Name      | Phone Number      |

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| **Previous and Current Government (Local, State, Federal) Debt** |
| **Agency Name** | **Original****Amount** | **Original Date** | **Current Balance** | **Collateral/Security** | **Loan Status**(Current, Paid in Full, Delinquent, Charged Off) |
|       | $      |       | $      |       |       |
|       | $      |       | $      |       |       |

Are you currently receiving funding from other public (State or Other), or Government sources invested at the same time and for the same purpose as the requested SSBCI-supported loan? [ ]  Yes [ ]  No

If “Yes”: What is the dollar amount you are receiving?

 What program/entity are you receiving funding from?

**Certifications, Attestations and Assurances**.

**Sex Offender Certification**. Under the State Small Business Credit Initiative (SSBCI), Applicants must certify that their principals have not been convicted of a sex offense against a minor. By signing this application, the Applicant hereby certifies that no principal of the Applicant listed above has been convicted of a sex offense against a minor (as such terms are defined in 34 U.S.C. § 20911). For the purposes of this certification, “principal” is defined as "if a sole proprietorship, the proprietor; if a partnership, each managing partner and each partner who is a natural person and holds a 20% or more ownership interest in the partnership; and if a corporation, limited liability company, association or a development company, or other entity, each director, each of the five most highly compensated executives or officers or employees of the entity, and each direct or indirect holder of 20% or more of the ownership stock or stock equivalent of the entity.

**Use of Proceeds and Conflict of Interest Certification**. Funds from the State Small Business Credit Initiative (SSBCI) may only be used for certain purposes and in circumstances where the applicable conflict of interest standards are satisfied. The Applicant hereby certifies the following to HGIA:

1. The loan proceeds will be used for a “business purpose.” A business purpose includes, but is not limited to, start-up costs; working capital; franchise fees; and acquisition of equipment, inventory, or services used in the production, manufacturing, or delivery of a business’s goods or services, or in the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. SSBCI funds may be used to purchase any tangible or intangible assets except goodwill. The term “business purpose” excludes acquiring or holding passive investments in real estate; the purchase of securities except as permitted in certification 2.d below; and lobbying activities (as defined in Section 3(7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended (2 U.S.C. § 1602(7)).

2. The loan proceeds will not be used to:

a. for any impermissible purpose under the SSBCI Capital Program Policy Guidelines, as may be amended, including without limitation any impermissible purposes set forth in Sections VII.f & VIII.f and 12 U.S. Code § 5704;

b. to pay any person to influence or attempt to influence any agency, elected official, officer or employee of a State or Local Government in connection with the making, award, extension, continuation, renewal, amendment, or modification of any State or Local Government contract, grant, loan or cooperative agreement as such terms are defined in 31 U.S.C. §1352;

c. to repay delinquent federal or jurisdiction income taxes unless the Applicant has a payment plan in place with the relevant taxing authority;

d. to repay taxes held in trust or escrow (e.g., payroll or sales taxes);

e. to reimburse funds owed to any owner, including any equity investment or investment of capital for the business’s continuance; or

f. to purchase any portion of the ownership interest of any owner of the business, except for the purchase of an interest in an employee stock ownership plan qualifying under section 401 of Internal Revenue Code, worker cooperative, or related vehicle, provided that the transaction results in the employee stock ownership plan or other employee-owned entity holding a majority interest (on a fully diluted basis) in the business.

3. The Applicant is not:

a. a business engaged in speculative activities that profit from fluctuations in price, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business or through the normal course of trade[[3]](#footnote-4);

b. a business that earns more than half of its annual net revenue from lending activities, unless the business is (1) a CDFI that is not a depository institution or a bank holding company, or (2) a Tribal enterprise lender that is not a depository institution or a bank holding company;

c. a business engaged in pyramid sales, where a participant’s primary incentive is based on the sales made by an ever-increasing number of participants;

d. a business engaged in activities that are prohibited by federal law or, if permitted by federal law, applicable law in the jurisdiction where the business is located or conducted (this includes businesses that make, sell, service, or distribute products or services used in connection with illegal activity, unless such use can be shown to be completely outside of the business’s intended market); this category of businesses includes direct and indirect marijuana businesses, as defined in Small Business Administration (SBA) Standard Operating Procedure (SOP) 50 10 6[[4]](#footnote-5); or

e. a business deriving more than one-third of gross annual revenue from legal gambling activities, unless the business is a Tribal SSBCI participant, in which case the Tribal SSBCI participant is prohibited from using SSBCI funds for gaming activities but is not restricted from using SSBCI funds for non-gaming activities merely due to an organizational tie to a gaming business.

4. The Applicant is not:

a. an executive officer, director, or principal shareholder of any of its capital providers;

b. a member of the immediate family of an executive officer, director, or principal shareholder of any of its capital providers; or

c. a related interest or immediate family member of such an executive officer, director, or principal shareholder of any of its capital providers.

For the purposes of the above conflict of interest certification, the terms “executive officer,” “director,” “principal shareholder,” “immediate family,” and “related interest” refer to the same relationship to the capital providers as the relationships described in 12 C.F.R. part 215.

**Business Enterprise Owned and Controlled by Socially and Economically Disadvantaged Individuals (“SEDI-Owned Businesses”).**

The proposed transaction may be supported with funding provided through the State Small Business Credit Initiative (SSBCI), a federal program that supports small business lending and investment programs in states, the District of Columbia, territories, and Tribal governments (collectively known as participating jurisdictions). SSBCI programs are designed to expand access to capital, promote economic resiliency, and create new jobs and economic opportunity. SSBCI provides funding for participating jurisdictions to support businesses owned and controlled by socially and economically disadvantaged individuals (SEDI-owned businesses)[[5]](#footnote-6). This certification may provide documentation that an SSBCI loan supported a SEDI-owned business. The information collected from this certification can only be used for purposes of the SSBCI program and must not be used for any other purposes (e.g., marketing, sale to third parties). The information collected must also not be used in a manner that violates any applicable antidiscrimination laws, including, but not limited to, the laws specified in Section IX.b of the Capital Program Policy Guidelines (Compliance with Civil Rights Requirements).

**The Applicant is not required to provide this certification. The Applicant may identify all categories in groups (1) through (3) below that apply, including all subcategories in group (1) that apply.**

The Applicant hereby certifies to HGIA that it is a:

1. Business enterprise that is owned and controlled by individuals who have had their access to credit on reasonable terms diminished as compared to others in comparable economic circumstances, due to their (check all that applies):

|  |  |
| --- | --- |
| [ ]  membership of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society | [ ]  long-term residence in an environment isolated from the mainstream of American society |
| [ ]  gender | [ ]  veteran status |
| [ ]  limited English proficiency | [ ]  disability |
| [ ]  membership of a federally or state-recognized Indian Tribe | [ ]  residence in a community undergoing economic transitions (including communities impacted by the shift towards a net-zero economy or deindustrialization) |
| [ ]  long-term residence in a rural community | [ ]  residence in a U.S. territory |
| [ ]  membership of another underserved community[[6]](#footnote-7) |  |

1. [ ]  Business enterprise that is owned and controlled by individuals whose **residences** are in CDFI Investment Areas, as defined in 12 C.F.R. § 1805.201(b)(3)(ii)[[7]](#footnote-8). To find out if your residence is in a CDFI Investment Area, click on the link provided and follow the instructions under “CDFI INVESTMENT AREAS BY ADDRESS”: <https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci/2021-ssbci/cdfi-fund-investment-areas>

Address in CDFI Investment Area:

1. [ ]  Business enterprise that will build, open, or operate a location in a CDFI Investment Area, as defined in 12 C.F.R. § 1805.201(b)(3)(ii). To find out if your business is in a CDFI Investment Area, click on the link provided and follow the instructions under “CDFI INVESTMENT AREAS BY ADDRESS”: <https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci/2021-ssbci/cdfi-fund-investment-areas>

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Address in CDFI Investment Area:

**SSBCI Data**. The purpose of collecting this information is to help ensure that all applicants are treated fairly and that the needs of small businesses are being fulfilled. Federal law requires that we ask Applicants for their demographic information. You are not required to provide this information, but are encouraged to do so. Providing this information could help the State draw down additional federal funds for this program. You may select one or more designations for "Ethnicity" and one or more designations for "Race." The law provides that we may not discriminate on the basis of this information, or on whether you choose to provide it. The law also provides that we may not discriminate on the basis of age or marital status information you provide in this application.

1. Indicate yes or no for the following:

a. Minority-owned or controlled[[8]](#footnote-9) business: [ ]  Yes [ ]  No [ ]  Prefer not to respond

8

b. Women-owned or controlled business: [ ]  Yes [ ]  No [ ]  Prefer not to respond

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c. Veteran-owned or controlled business: [ ]  Yes [ ]  No [ ]  Prefer not to respond

2. For each principal owner of the business, please indicate one or more race categories with which the principal owner identifies (attach additional sheets as may be required):

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  Asian Indian | [ ]  Vietnamese | [ ]  Chinese | [ ]  Filipino |
| [ ]  Japanese | [ ]  Korean | [ ]  Samoan |
| [ ]  Black or African American | [ ]  Guamanian or Chamorro | [ ]  Native Hawaiian |
| [ ]  American Indian | [ ]  Alaska Native | [ ]  Asian (Other)       |
| [ ]  Pacific Islander | [ ]  White | [ ]  Prefer not to respond |

3. For each principal owner of the business, indicate which of the following ethnicity categories the principal owner identifies with:

|  |  |  |
| --- | --- | --- |
| [ ]  Hispanic or Latino/a | [ ]  Not Hispanic or Latino/a | [ ]  Prefer not to respond |

4. For each principal owner of the business, indicate which of the following ethnicity categories the principal owner identifies with:

|  |  |  |
| --- | --- | --- |
| [ ]  Middle Eastern or North African | [ ]  Not Middle Eastern or North African | [ ]  Prefer not to respond |

5. For each principal owner of the business, indicate which one of the following gender categories the principal owner identifies with:

|  |  |  |
| --- | --- | --- |
| [ ]  Female | [ ]  Male | [ ]  Nonbinary |
| [ ]  Prefer to self-describe:       | [ ]  Prefer not to respond |

6. For each principal owner of the business, indicate which one of the following sexual orientation categories the principal owner identifies with:

|  |  |  |
| --- | --- | --- |
| [ ]  Gay or lesbian | [ ]  Bisexual | [ ]  Prefer not to respond |
| [ ]  Straight, that is not gay, lesbian, or bisexual | [ ]  Something else:       |

**Disclosure and Agreement Regarding HI-CAP Loans Program Application**

Please read this Disclosure and Agreement carefully. In signing this HI-CAP Loans Program Application, you acknowledge that you have read, understand and agree to be bound by the provisions set forth herein.

**INDEMNIFICATION**

You will indemnify, defend and hold HGIA, HTDC, and its officers, directors, employees and agents harmless from any and all liability or any loss, damage, or injury (including, without limitation, attorney's fees incurred with attorneys of HGIA's choice) arising out of or resulting from (i) any misstatement or misrepresentation in or omission from the information provided by Applicant or parties related to Applicant in this HI-CAP Loans Program Application or any other documents provided pursuant to this Application, (ii) any acts or omissions of Applicant or parties related to Applicant in connection with this Application, (iii) failure by Applicant to receive a loan from a Participating Lender; and/or (iv) any loss, damage, or liability to Applicant or Applicant’s business.

**NO REPRESENTATIONS**

The funding of the loan from HGIA is subject to HGIA’s approval of your Application and is also subject to your satisfactory compliance with the terms set forth in the HGIA’s Commitment Letter and Term Sheet(s) of other capital providers, and all other applicable conditions.

By signing this HI-CAP Loans Program Application, you acknowledge that:

a. HGIA is not your agent or representative;

b. HGIA has made no representations to you that a loan will be approved in relation to your application; and

c. There is no representation or guaranty of HI-CAP Loans Program funds being available if your loan funding is delayed for more than ninety days after HGIA determines your loan to be eligible for the HI-CAP Loans Program.

**SHARING NON-PUBLIC INFORMATION**

My signature authorizes and grants HGIA unrestricted permission to share the information provided on this application and information submitted in connection with applying for the HI-CAP Loans Program with third parties, including but not limited to other Lenders and capital providers, HGIA’s staff and Board, HTDC’s staff and Board, the State of Hawai‘i and the U.S. Treasury.

The State is required according to section 92F-12(a)(8) of the Hawaii Revised Statutes to collect and make available upon request “the name, address and occupation of any person borrowing funds from a state or county loan program and the amount, purpose, and current status of the loan.”

**MARKETING**

The undersigned hereby authorizes HGIA and the U.S. Treasury to use the business and the undersigned’s name in SSBCI Program related promotional materials only.

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| **Application Agreement** |

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The undersigned are requesting the Hawaii Green Infrastructure Authority (HGIA), on behalf of the [for profit or nonprofit] applicant (“Company”) identified on the front page of this Application to approve the loan request specified in this Application. The Company agrees that HGIA may require additional information from the Company before approving this Application, and HGIA’s approval of this Application will not be construed as an agreement to make the Loan, but only as an indication of an interest to issue a commitment letter (“Commitment”) to the Company. Therefore, if this Application is approved by HGIA, HGIA will send the Company a Commitment which will contain the Loan amount approved by HGIA, the conditions under which HGIA will close the Loan and the material terms and conditions applicable to the Loan. The Company and each of the signers: (1) certifies that information provided in and otherwise in connection with this Application is true, complete and correct, is not misleading and does not contain any material omissions; (2) certify that the signers are authorized by the Company to sign this Application on the Company’s behalf; (3) agrees to notify HGIA promptly of any material change in the financial information provided by the Company in connection with this Application; (4) authorizes HGIA to obtain credit reports, including consumer reports from consumer reporting agencies if the applicant is one or more individuals, and to release credit information to others (including, without limitation, credit reporting agencies, taxing authorities, Lender(s) and other capital providers) regarding the Company from time to time; (5) authorizes HGIA to verify information provided by the Company in and in connection with this Application and to obtain tax and other information regarding the Company from the IRS and other taxing authorities; and (6) authorizes any and all third-parties contacted by HGIA to release information about the Company, including employment history, income, bank account and loan balances, ownership interests in securities and relative account balances, payment history, including federal and state tax payments. The Company agrees that HGIA reserves the right to change the Loan review process at any time to a full documentation program if less than full and complete documentation is initially requested of the Company at the time this application is submitted to HGIA. This Application shall be governed by and construed in accordance with the laws of the State of Hawaii.

NOTE: If the Company is a corporation, this Application must be signed by the officer(s) authorized by the Company’s articles of incorporation or by-laws to sign the Commitment, if issued by HGIA, on behalf of the Company, along with any one of the following: Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer. If the Company is a partnership, this Application must be signed by all general partners. If the Company is a Limited Liability Company, this Application must be signed by all members or by the manager(s) if this is a manager managed LLC. IF ALL SIGNERS CANNOT SIGN BELOW, PLEASE ATTACH A SEPARATE SIGNATURE SHEET.

All principals that hold 20% or more ownership of the Applicant must sign this Application and Certification, including a separate Business Enterprise Owned and Controlled by Socially and Economically Disadvantaged Individuals Disclosure.

Borrower or Certifying Entity Legal Business Name:

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Name:       Name:

 Its:       Its:

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Name:       Name:

 Its:       Its:

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Name:

 Its:       Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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| **Proposed Guarantors** |

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As part of its credit policy and approval of a Loan Application for the [for profit or nonprofit] applicant (the “Company”) identified on this Application (the “Application”), HGIA requires any person or entity with a 20% or greater ownership interest in the Company which is a sole proprietorship, partnership, corporation, joint venture or limited liability company to execute a guaranty. Thus, all sole proprietors, general partners and persons or entities having a 20% or greater ownership interest of the Company must sign below. By signing below, the individual signer(s) is/are authorizing HGIA to verify all information provided by the signer(s) in and in connection with the Application, and to obtain consumer reports from consumer reporting agencies and to release credit information to others, including but not limited to credit reporting agencies. By signing below, the signors authorize third-parties to release to HGIA, its agent(s) or any Lender(s) and capital providers to whom HGIA may co-lend to the Applicant for the same project, any and all information HGIA or its agents may request, such as the signer’s employment history, income, bank accounts, loan balances, brokerage account balances and payment histories. IF ALL SIGNERS CANNOT SIGN BELOW, PLEASE ATTACH A SEPARATE SIGNATURE SHEET.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Name:       |  | Date:       |
| Signature  |  |  |  |
|  |  | Name:       |  | Date:       |
| Signature  |  |  |  |
|  |  | Name:       |  | Date:       |
| Signature  |  |  |  |
|  |  | Name:       |  | Date:       |
| Signature  |  |  |  |
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| **Right to a Written Statement** |

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If your application is denied, you have the right to a written statement of the specific reason for the denial. To obtain the statement, please contact HGIA, PO Box 2359, Honolulu, HI 96804, dbedt.hicap-loans@hawaii.gov within 60 days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request for the statement.

**Business Enterprise Owned and Controlled by**

**Socially and Economically Disadvantaged Individuals Disclosure**

**Please submit for all partners and owners who have 20% or greater ownership, as well as officers, directors and key employees (regardless of ownership).** Make additional copies, as required.

Legal Business Name (“Applicant”):

Name of Owner(with 20% or greater ownership interest):

**Business Enterprise Owned and Controlled by Socially and Economically Disadvantaged Individuals (“SEDI-Owned Businesses”).**

The proposed transaction may be supported with funding provided through the State Small Business Credit Initiative (SSBCI), a federal program that supports small business lending and investment programs in states, the District of Columbia, territories, and Tribal governments (collectively known as participating jurisdictions). SSBCI programs are designed to expand access to capital, promote economic resiliency, and create new jobs and economic opportunity. SSBCI provides funding for participating jurisdictions to support businesses owned and controlled by socially and economically disadvantaged individuals (SEDI-owned businesses)[[9]](#footnote-10). This certification may provide documentation that an SSBCI loan supported a SEDI-owned business. The information collected from this certification can only be used for purposes of the SSBCI program and must not be used for any other purposes (e.g., marketing, sale to third parties). The information collected must also not be used in a manner that violates any applicable antidiscrimination laws, including, but not limited to, the laws specified in Section IX.b of the Capital Program Policy Guidelines (Compliance with Civil Rights Requirements).

**I understand that I am not required to provide this certification. I may identify all categories in groups that apply, including all subcategories that apply.**

The Applicant hereby certifies to HGIA that it is a:

[ ]  Business enterprise that is owned and controlled by individuals whose **residences** are in CDFI Investment Areas, as defined in 12 C.F.R. § 1805.201(b)(3)(ii)[[10]](#footnote-11). To find out if your residence is in a CDFI Investment Area, click on the link provided and follow the instructions under “CDFI INVESTMENT AREAS BY ADDRESS”: <https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci/2021-ssbci/cdfi-fund-investment-areas>

Address in CDFI Investment Area:

**SSBCI Data**. The purpose of collecting this information is to help ensure that all applicants are treated fairly and that the needs of small businesses are being fulfilled. Federal law requires that we ask Applicants for their demographic information. You are not required to provide this information, but are encouraged to do so. Providing this information could help the State draw down additional federal funds for this program. You may select one or more designations for "Ethnicity" and one or more designations for "Race." The law provides that we may not discriminate on the basis of this information, or on whether you choose to provide it. The law also provides that we may not discriminate on the basis of age or marital status information you provide in this application.

1. For each principal owner of the business, please indicate one or more race categories with which the principal owner identifies (attach additional sheets as may be required):

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  Asian Indian | [ ]  Vietnamese | [ ]  Chinese | [ ]  Filipino |
| [ ]  Japanese | [ ]  Korean | [ ]  Samoan |
| [ ]  Black or African American | [ ]  Guamanian or Chamorro | [ ]  Native Hawaiian |
| [ ]  American Indian | [ ]  Alaska Native | [ ]  Asian (Other)       |
| [ ]  Pacific Islander | [ ]  White | [ ]  Prefer not to respond |

2. For each principal owner of the business, indicate which of the following ethnicity categories the principal owner identifies with:

|  |  |  |
| --- | --- | --- |
| [ ]  Hispanic or Latino/a | [ ]  Not Hispanic or Latino/a | [ ]  Prefer not to respond |

3. For each principal owner of the business, indicate which of the following ethnicity categories the principal owner identifies with:

|  |  |  |
| --- | --- | --- |
| [ ]  Middle Eastern or North African | [ ]  Not Middle Eastern or North African | [ ]  Prefer not to respond |

4. For each principal owner of the business, indicate which one of the following gender categories the principal owner identifies with:

|  |  |  |
| --- | --- | --- |
| [ ]  Female | [ ]  Male | [ ]  Nonbinary |
| [ ]  Prefer to self-describe:       | [ ]  Prefer not to respond |

5. For each principal owner of the business, indicate which one of the following sexual orientation categories the principal owner identifies with:

|  |  |  |
| --- | --- | --- |
| [ ]  Gay or lesbian | [ ]  Bisexual | [ ]  Prefer not to respond |
| [ ]  Straight, that is not gay, lesbian, or bisexual | [ ]  Something else:       |

The Applicant hereby certifies that all the above information is true and accurate to the best of his or her knowledge, and further covenants that it shall deliver prompt notice to the State of any inaccuracies that it discovers.

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Name:

 Its:

1. Full-time is more than 2,000 hours per year. [↑](#footnote-ref-2)
2. Part-time is less than 2,000 hours per year. [↑](#footnote-ref-3)
3. A construction loan permitted under the guidance on passive real estate investment in the SSBCI Capital Program Policy Guidelines will not be considered a speculative business for purposes of SSBCI. [↑](#footnote-ref-4)
4. See chapter 3.A.8.b of SBA SOP 50 10 6 (effective October 1, 2020), which specifies the following with respect to marijuana-related businesses: “Because federal law prohibits the distribution and sale of marijuana, financial transactions involving a marijuana-related business would generally involve funds derived from illegal activity. Therefore, businesses that derive revenue from marijuana-related activities or that support the end-use of marijuana may be ineligible for SBA financial assistance.” [↑](#footnote-ref-5)
5. SSBCI funds count toward fulfilling the “expended for” requirement for the $1.5 billion SEDI allocation and toward qualifying for initial eligible amounts under the $1.0 billion SEDI incentive allocation if the SSBCI funds have been expended for loans, investments, or other credit or equity support to any of the four groups of businesses set forth in Section IV.a of the SSBCI Capital Program Policy Guidelines. While a participating jurisdiction may reasonably identify group (2) and (3) businesses (i.e., those located in Community Development Financial Institution (CDFI) Investment Areas) based on residence or businesses’ addresses from the relevant loan, investment, and credit or equity support applications, certification is required with regard to groups (1) through (3). [↑](#footnote-ref-6)
6. “Underserved communities” are populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the definition of equity. Equity is consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality. [↑](#footnote-ref-7)
7. Treasury has provided a mapping tool for the borrower or investee to use to identify whether the relevant address is in a CDFI Investment Area at https://home.treasury.gov/policy-issues/small-business-programs/state-small-businesscredit-initiative-ssbci/2021-ssbci/cdfi-fund-investment-areas. For each calendar year, Treasury will use the list of CDFI Investment Areas identified by the CDFI Fund as of January 1 of the calendar year. If the CDFI Fund’s list is updated during that calendar year, the new list will not be adopted for purposes of SSBCI until the next calendar year, thus providing advance notice to jurisdictions. [↑](#footnote-ref-8)
8. The term “owned and controlled” means, if privately owned, 51 percent is owned by such individuals; if publicly owned, 51 percent of the stock is owned by such individuals; and in the case of a mutual institution, a majority of the board of directors, account holders, and the community of which the institution services is predominantly comprised of such individuals. [↑](#footnote-ref-9)
9. SSBCI funds count toward fulfilling the “expended for” requirement for the $1.5 billion SEDI allocation and toward qualifying for initial eligible amounts under the $1.0 billion SEDI incentive allocation if the SSBCI funds have been expended for loans, investments, or other credit or equity support to any of the four groups of businesses set forth in Section IV.a of the SSBCI Capital Program Policy Guidelines. While a participating jurisdiction may reasonably identify group (2) and (3) businesses (i.e., those located in Community Development Financial Institution (CDFI) Investment Areas) based on residence or businesses’ addresses from the relevant loan, investment, and credit or equity support applications, certification is required with regard to groups (1) through (3). [↑](#footnote-ref-10)
10. Treasury has provided a mapping tool for the borrower or investee to use to identify whether the relevant address is in a CDFI Investment Area at https://home.treasury.gov/policy-issues/small-business-programs/state-small-businesscredit-initiative-ssbci/2021-ssbci/cdfi-fund-investment-areas. For each calendar year, Treasury will use the list of CDFI Investment Areas identified by the CDFI Fund as of January 1 of the calendar year. If the CDFI Fund’s list is updated during that calendar year, the new list will not be adopted for purposes of SSBCI until the next calendar year, thus providing advance notice to jurisdictions. [↑](#footnote-ref-11)