



**Department of
Development**

CDFI-LPP Lender and Borrower Certification Forms for Lender Application

September 2023

CDFI Loan Participation Program

Lender Use of Proceeds and Conflict of Interest Certification

Funds from the State Small Business Credit Initiative (SSBCI) Community Development Financial Institution Loan Participation Program (CDFI LPP) may only be used for certain purposes and in circumstances where the applicable conflict of interest standards are satisfied.

Legal name of lender: _____

The lender hereby certifies the following to the participating jurisdiction:

1. The CDFI LPP -supported loan is not being made in order to place under the protection of CDFI LPP prior debt that is not covered under CDFI LPP and that is or was owed by the borrower to the lender or to an affiliate of the lender.
2. If the CDFI LPP -supported loan is a refinancing, it complies with all applicable SSBCI restrictions and requirements in Sections VII.f and VIII.f of the SSBCI Capital Program Policy Guidelines (Attachment 1) regarding refinancing and new extensions of credit, including that the CDFI LPP -supported loan is not a refinancing of a loan previously made to the borrower by the lender or an affiliate of the lender.
3. The lender is not attempting to support any portion of an SBA-guaranteed loan.

The undersigned is an authorized representative of the lender.

Signature: _____

Name: _____

Title: _____

Date: _____

SSBCI Capital Program Policy Guidelines Regarding Refinancing

New Lenders:

A lender is not prohibited from refinancing loans previously made by another, non-affiliated financial institution. However, the purpose of SSBCI is to support small businesses, including by providing new capital. Accordingly, a lender may refinance a borrower's existing loan, line of credit, extension of credit, or other debt originally made by an unaffiliated lender only if the following conditions are met:

- The amount of the refinanced loan is at least 150 percent of the previous outstanding balance;
- The transaction results in a 30 percent reduction in the fee-adjusted APR contracted for the term of the new debt, to help ensure that SSBCI funding is used only for transactions that meaningfully benefit borrowers by providing access to sustainable products; and
- Proceeds of the transaction are not used to finance an extraordinary dividend or other distribution.

New Extensions of Credit by Existing Lenders:

Financial institution lenders are generally prohibited from refinancing an existing outstanding balance or previously made loan, line of credit, extension of credit, or other debt owed by a small business borrower already on the books of the same financial institution (or an affiliate) into the SSBCI-supported program. However, a financial institution lender may use SSBCI funds to support a new extension of credit that repays the amount due on a matured (a matured loan or line of credit only includes loans that have matured according to their terms and does not include a loan or line of credit that has been accelerated to maturity.) loan that was previously used for an eligible business purpose when all the following conditions are met:

- The amount of the new loan or other debt is at least 150 percent of the outstanding amount of the matured loan or other debt;
- The new credit supported with SSBCI funding is based on a new underwriting of the small business's ability to repay the loan and a new approval by the lender;
- The prior loan or other debt has been paid as agreed and the borrower was not in default of any financial covenants under the loan or debt for at least the previous 36 months (or since origination, if shorter); and
- Proceeds of the transaction are not used to finance an extraordinary dividend or other distribution.

CDFI Loan Participation Program

Sex Offender Lender Certification

To be eligible for the Ohio Department of Development's Community Development Financial Institution (CDFI) Loan Participation Program, funded by the State Small Business Credit Initiative (SSBCI), this certification must be completed by an authorized representative of the CDFI Administrator (the "Lender") and submitted in conjunction with the CDFI Loan Participation Program Application.

Under the State Small Business Credit Initiative (SSBCI), lenders must certify that their principals have not been convicted of a sex offense against a minor.

Legal name of Lender: _____

The Lender hereby certifies the following to the State of Ohio Department of Development:

No principal of the entity 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" means the following: if a sole proprietorship, the proprietor; if a partnership, each partner; if a corporation, limited liability company, association, development company, or other entity, each director, each of the five most highly compensated executives, officers, or employees of the entity, and each direct or indirect holder of 20 percent or more of the ownership stock or stock equivalent of the entity.

The undersigned is an authorized representative of the Lender.

Signature: _____

Name: _____

Title: _____

Date: _____

CDFI LOAN PARTICIPATION PROGRAM (CDFI LPP) Borrower Information Form

Attention CDFI ADMINISTRATORS

Email form and Certifications to: loanprograms@development.ohio.gov or Mail form to:

Federal Financial Programs and Incentives Manager
 Minority Business Development Division
 Ohio Department of Development
 77 S. High Street, 28th Floor, Columbus, Ohio 43215

or Fax form to: (614) 466-4172
 For information, please call (800) 848-1300 ext. 65700

Business (the "Borrower") Information (Form to be completed by the Borrower and submitted to CDFI Administrator)

Contact Name:		Contact Title:	
Borrower Name:		Email Address:	
Address:		Phone Number:	
City	State	Zip	County
NAICS Code:	EIN:	Business Primary Product/Service:	
The Borrower is: <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Sole Proprietor/Independent Contractor <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Corporation </div> <div style="width: 48%;"> <input type="checkbox"/> Worker cooperative or ESOP entity <input type="checkbox"/> Tribal Enterprise <input type="checkbox"/> Tribal Member-Owned Business <input type="checkbox"/> Other </div> </div>			
Revenues in the Last Fiscal Year: \$		Net Income in the Last Fiscal Year: \$	
Year Started:		Year Incorporated:	
<div style="display: flex;"> <div style="width: 48%;"> Primary use of loan funds: <input type="checkbox"/> Working Capital (wages, salaries, employee benefits) <input type="checkbox"/> Working Capital (other) <input type="checkbox"/> Inventory <input type="checkbox"/> Convert, expand, or renovate buildings (energy efficiency) <input type="checkbox"/> Convert, expand, or renovate buildings (other) <input type="checkbox"/> Construct new buildings <input type="checkbox"/> Leasehold improvements <input type="checkbox"/> Fixed assets/equipment <input type="checkbox"/> Purchase existing building </div> <div style="width: 48%;"> <input type="checkbox"/> Acquire land <input type="checkbox"/> Marketing, market research, and commercialization expenses <input type="checkbox"/> Purchase supplies and raw materials <input type="checkbox"/> Refinance outstanding debt <input type="checkbox"/> Research and development <input type="checkbox"/> ESOP Transactions <input type="checkbox"/> Technology integration in physical production, e.g., manufacturing or supply chain <input type="checkbox"/> Technology integration in non physical e.g., accounting </div> </div>			
Is the Borrower a certified Minority Business Enterprise or Women's Business Enterprise with the state of Ohio or other reciprocal local certification?: <input type="checkbox"/> YES <input type="checkbox"/> NO			
Project Proposed Start Date:		Current Number of Full-time Equivalent Employees (FTEs):	
Number of Full-time Equivalent Employees (FTEs) jobs to be created in 2 yrs:		Current # of Full-time Equivalent Employees (FTEs) to be retained:	
Average hourly wage for FTEs:			

Borrower's or investee's full-time equivalent employees (FTEs), rounded to the nearest whole number, at the time of the closing of the supported loan. This is determined by adding the number of full-time employees and number of part-time and seasonal employees as a fraction of a full-time employee. For example, if a business has 100 employees working full-time (assume a full-time week of 40 hours) and 50 employees working 20 hours per week, the total number of FTEs would be 125. For seasonal employees, the FTE count is based on a 2,080-hour year, so that an employee who works 520 hours per year counts as 0.25 FTEs.

The State of Ohio is an Equal Opportunity Employer and Provider of ADA Services.

CDFI Loan Participation Program

Borrower Use of Proceeds and Conflict of Interest Certification

To be eligible for the Ohio Department of Development's CDFI Loan Participation Program, funded by the State Small Business Credit Initiative (SSBCI), this certification must be completed by at least one principal owner of the borrower and submitted in conjunction with the Administrator's CDFI Loan Participation Program Application.

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.

Legal name of borrower: _____

The borrower hereby certifies the following to the CDFI Administrator (the "Lender"):

1. The loan or investment proceeds will be used solely 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 or investment proceeds will not be used to:
 - a. repay delinquent federal or jurisdiction income taxes unless the borrower or investee has a payment plan in place with the relevant taxing authority;
 - b. repay taxes held in trust or escrow (e.g., payroll or sales taxes);
 - c. reimburse funds owed to any owner, including any equity investment or investment of capital for the business's continuance; or
 - d. 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 borrower 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;¹
 - 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;

¹ 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.

- 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;² 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.³ For purposes of Tribal SSBCI programs, "gaming activities" includes only "class II gaming" and "class III gaming" as these terms are defined under the Indian Gaming Regulatory Act (IGRA), 25 U.S.C. § 2703.

Conflict of Interest Certification:

4. The borrower is not:
- a. an executive officer, director, or principal shareholder of the Lender;
 - b. a member of the immediate family of an executive officer, director, or principal shareholder of the Lender; or
 - c. a related interest or immediate family member of such an executive officer, director, or principal shareholder of the Lender.

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 Lender as the relationships described in 12 C.F.R. part 215.

The undersigned is an owner of the Borrower.

Signature: _____

Name: _____

Title: _____

Date: _____

2. 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."

3. Under this standard, a gaming Tribal enterprise could apply for SSBCI funds for a new gas station, for example, even if the Tribal enterprise's revenues from gaming were greater than 33 percent.

CDFI Loan Participation Program

Sex Offender Borrower Certification

To be eligible for the Ohio Department of Development's Community Development Financial Institution (CDFI) Loan Participation Program, funded by the State Small Business Credit Initiative (SSBCI), this certification must be completed by an authorized representative of the borrower and submitted in conjunction with the CDFI's Program Application.

Under the State Small Business Credit Initiative (SSBCI), borrowers must certify that their principals have not been convicted of a sex offense against a minor.

Legal name of borrower: _____

The borrower hereby certifies the following to the State of Ohio Department of Development:

No principal of the entity 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" means the following: if a sole proprietorship, the proprietor; if a partnership, each partner; if a corporation, limited liability company, association, development company, or other entity, each director, each of the five most highly compensated executives, officers, or employees of the entity, and each direct or indirect holder of 20 percent or more of the ownership stock or stock equivalent of the entity.

If a principal of the borrowing entity is convicted of a sex offense against a minor after CDFI Loan Participation Program approval, the borrowing entity must provide written notice to the Community Development Financial Institution.

The undersigned is an authorized representative of the borrower.

Signature: _____

Name: _____

Title: _____

Date: _____

Borrower Certification Related to Business Enterprises Owned and Controlled by Socially and Economically Disadvantaged Individuals (SEDI-Owned Businesses) and Privacy Notice

This transaction is 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). This certification provides documentation that an SSBCI loan or investment 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 anti-discrimination 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 business (the “Borrower”) is not required to provide this certification. The Borrower may identify all categories in groups (1) through (3) below that apply, including all subcategories in group (1) that apply.

Legal name of Borrower: _____

The Borrower hereby certifies to the lender or investor that it is a:

1. Business enterprise that is owned and controlled¹ by individuals who have had their access to credit on reasonable terms diminished as compared to others in comparable economic circumstances, due to their:
 - ☐ membership of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society; includes Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color.
 - ☐ gender;
 - ☐ veteran status;
 - ☐ limited English proficiency;
 - ☐ disability;
 - ☐ long-term residence in an environment isolated from the mainstream of American society;
 - ☐ membership of a federally or state-recognized Indian Tribe;
 - ☐ long-term residence in a rural community;
 - ☐ residence in a U.S. territory;
 - ☐ residence in a community undergoing economic transitions (including communities impacted by the shift towards a net-zero economy or deindustrialization); or
 - ☐ membership of another underserved community.²

¹ 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.

² “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.

2. 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).³

Individual(s)' Address(es) in CDFI Investment Areas:

3. 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).

Business Address in CDFI Investment Area:

The undersigned is an authorized representative of the Borrower.

Signature: _____

Name: _____

Title: _____

Date: _____

Applicants are encouraged to answer all of the questions below.

This information is being collected to help ensure that communities' small business credit needs are being fulfilled and allow SSBCI to analyze the populations that SSBCI funding is benefiting.

1. Minority-owned or controlled business status (please check the applicable box)

For purposes of this form, minority individual means a natural person who identifies as American Indian or Alaska Native ; Asian American ; Black or African American ; Native Hawaiian or Other Pacific Islander ; Hispanic or Latino/a ; or one or more than one of these groups.

For purposes of this form, an applicant is a minority-owned or controlled business if the business meets one or more of the following:

- if privately owned, 51 percent or more is owned by minority individuals;
- if publicly owned, 51 percent or more of the stock is owned by minority individuals;
- in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of minority individuals; or
- one or more minority individuals have the power to exercise a controlling influence over the business.

Is the applicant a minority-owned or controlled business? Yes No Prefer not to respond

2. Women-owned or controlled business status

For purposes of this form, an applicant is a women-owned or controlled business if the business meets one or more of the following:

- if privately owned, 51 percent or more is owned by females;
- if publicly owned, 51 percent or more of the stock is owned by females;
- in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of females; or
- one or more individuals who are females have the power to exercise a controlling influence over the business.

Is the applicant a women-owned or controlled business? Yes No Prefer not to respond

3. Treasury has provided a mapping tool for the Borrower 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-business-credit-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. Further, Treasury has determined that American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands in their entirety constitute CDFI Investment Areas for purposes of the SSBCI, because each of these territories has a poverty rate of at least 20 percent.

3. Veteran-owned or controlled business status

For purposes of this form, an applicant is a veteran-owned or controlled business if the business meets one or more of the following:

- a. if privately owned, 51 percent or more is owned by veterans;
- b. if publicly owned, 51 percent or more of the stock is owned by veterans;
- c. in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of veterans; or
- d. one or more individuals who are veterans have the power to exercise a controlling influence over the business.

Is the applicant a veteran-owned or controlled business?

Yes

No

Prefer not to respond

SSBCI Privacy Notice and Privacy Act Statement

Privacy Notice:

Information from this collection will be shared with the U.S. Department of the Treasury (Treasury). Treasury has published a Privacy and Civil Liberties Impact Assessment that describes what Treasury will do with the information your business provides in this application. It can be found on the [Treasury website](#). If you have any questions about this document, please email Privacy@Treasury.gov.

Privacy Act Statement for Sole Proprietorships:

The Privacy Act of 1974 (Privacy Act) protects certain information that the federal government has about "individuals" (United States citizens and lawfully admitted permanent residents). The Privacy Act does not generally apply to businesses, but some federal courts have found that this law applies to sole proprietors (they are deemed "individuals" under the Privacy Act). If you, as the applicant, are a sole proprietor, you may have rights under the Privacy Act.

Authority: Small Business Jobs Act of 2010 (SBJA), Title III, 12 U.S.C. § 5701 et seq., as amended by the American Rescue Plan Act of 2021 (ARPA), section 3301; Executive Order No. 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, 86 Fed. Reg. 7009 (January 25, 2021); and Interim Final Rule, State Small Business Credit Initiative; Demographics-Related Reporting Requirements, 87 Fed. Reg. 13628 (March 10, 2022).

Purpose: Information from this collection will be shared with Treasury. This information will be shared with Treasury so it can conduct oversight to ensure compliance with federal law, including requirements related to nondiscrimination and nondiscriminatory uses of federal funds. Treasury also receives this information (including any demographic information provided) to comply with reporting requirements under the authorities listed above and to advance fairness and opportunity in underserved communities in the allocation of federal resources.

Routine Uses: The information you furnish may be shared in accordance with the routine uses outlined in Treasury .013, Department of the Treasury Civil Rights Complaints and Compliance Review Files; Treasury .015, General Information Technology Access Account Records; and Treasury .017, Correspondence and Contact Information. For example, one routine use under Treasury .013 is to disclose pertinent information to appropriate agencies when Treasury becomes aware of a potential violation of civil or criminal law. Under this routine use, Treasury may disclose demographic information to the appropriate agencies if Treasury becomes aware of a violation of applicable antidiscrimination laws. More information about this and other routine uses can be found in the System of Records Notices (SORNs) listed above, which are posted on [Treasury's website](#).

Disclosure: Providing this information is voluntary. However, failure to furnish the requested information (except for the demographic information) may result in the denial of your application. Providing demographic information is optional. If you decline to provide this information, it will not adversely affect your application.