Item 1.1  **Maryland State Fireman’s Association Application for Loan/Grant from the Volunteer Company Assistance Fund** dated_______________, 201__.  This is the beginning of the formal approval process.

Item 1.2  **Board of Public Works Approval** dated ______________________, 201____.  This is the final approval of the loan or grant and sets out the basic terms (amount, payment schedule, interest rate, term).  Final loan processing will not begin until this approval has been obtained.

A copy of the Board of Public Works approval will be obtained by MMD for the Company.

Item 1.3  **Certificate of Secretary/Certificate of Incumbency**.  These two certificates will be provided by counsel to MMD.  The Certificate of Secretary has three exhibits:

- **Exhibit A – Articles of Incorporation** – will be obtained by MMD from SDAT
- **Exhibit B – Bylaws** – must be submitted by Company
- **Exhibit C – Resolution Approving Loan** – must be submitted by Company

The Articles and Bylaws are necessary to show who has the authority to sign loan documents on behalf of the Company.  The Resolution is necessary to show that the Company has followed its own required approval process for borrowing the loan or obtaining the grant.

Item 1.4  **Certificate of Good Standing**.

This certificate will be obtained by MMD for the Company from SDAT.  It certifies that the Company has satisfied State taxation and reporting requirements.  The Treasurer will not issue a check for the loan if the Company is not in good standing.  At the time of loan closing, the Certificate of Good Standing must have been obtained within the past 30 days.

Item 1.5  **Borrower’s Financials**.

As part of the Application, MSFA is required to obtain the borrower’s last two years’ financial statements.  These should be updated as much as possible before loan closing.  [No sample provided]

Item 1.6  **Evidence of Insurance Coverage**.

1.6.1  **Auto Liability**.  The vehicle must be included in the list of covered vehicles.

1.6.2  **Auto Physical Damage**.  The vehicle must be included in the list of covered vehicles.

1.6.3  **Endorsement Adding MMD as Loss Payee**.  The law requires MMD to take a security interest in the equipment being acquired with a VCAF loan, and in any related insurance proceeds.
The only way to add MMD as a “loss payee” on an insurance policy is by amending the insurance policy by means of an endorsement. An ACORD 27 Certificate naming MMD as loss payee is not legally sufficient. We need a copy of the endorsement.

Evidence of insurance coverage may be in the form of an ACORD 27 Certificate or a Declarations Page from the Company’s insurance agent. The insured vehicle must be included in the policy’s list of covered vehicles for both liability and property damage insurance.

Item 1.7 Vehicle Documents.

1.7.1. Equipment Sale Contract dated __________________________.
1.7.2 Certificate of Origin or Maryland Title. Must have original at closing.
1.7.3 Evidence of Delivery of Purchase Price to Vendor. Copies of checks, etc.

Item 1.8 Evidence of Good Faith Effort to Obtain Funds from Local Government.

This is required by law. VCAF funds may not be used if funds for the purchase are available from the local government. The letter should refer to the current fiscal year. May need to be updated.

Item 1.9 Evidence that Loan Amount Does Not Exceed 75% of Total Project Cost.

This is required by law. VCAF funds may only be used to fund 75% of the purchase price of the equipment. If there has been a downward adjustment in the price (i.e. discount for early payment), the loan amount will need to be adjusted.

Final cost information should be given to MMD as soon as possible so that this calculation can be made.

Item 1.10 Evidence of Bridge Loan (if applicable).

This is required by law. VCAF funds may not be used to refinance a debt of the borrower. The only exception is where the Company has taken out a temporary loan from a bank to purchase equipment because VCAF funds were not available at the time of delivery. The President of the Company will need to write a letter to MMD stating that the bank financing was intended as temporary bridge financing until VCAF funds became available.

Item 1.11 Bank Loan Documents (if applicable).

If there is a bank loan, MMD will need to review the bank’s loan documents. [No sample provided].

Item 1.12 Bank Payoff Letter (if applicable).

The bank will need to provide a payoff statement, on bank letterhead. [No sample provided].

Item 1.13 Bank Subordination Agreement (if applicable).
Once the bank has been paid off, it will need to subordinate its lien on the equipment to MMD’s lien. MMD counsel will provide any necessary document. [No sample provided].

Item 1.14 Other Financing or Grants (if applicable).

Item 2.1 Loan Documents.

2.1.1 Promissory Note
2.1.2 Loan Agreement
2.1.3 Security Agreement
2.1.4 Closing Agreement

Forms attached. These forms have been negotiated with the MSFA and will be drafted by MMD counsel.

2.1.5 MVA Security Interest Filing (form VR – 217)

This form will be filled out by MMD at closing.

2.1.6 Original Certificate of Origin (signed over to Company)
   Or Original Maryland title. [No sample provided].

2.1.7 Application for Title, as needed.

MMD EQUIPMENT LOAN CHECKLIST
CLOSING DOCUMENTS

Item 2.2 Request for Disbursement (see Exhibit A to Loan Agreement).

Item 2.3 Receipt for Check (see Exhibit C to Loan Agreement).

Item 2.4 Copy of Check