

CEI Loan Application Glossary

1. Name of Business
 - a. The legal name of your business as it is written on the most recent and updated federal business tax return
2. DBA
 - a. “Doing business as” is a registration that allows a business owner to do business under an operating name that might be different than the legal name of the company
3. Business Structures
 - a. Sole Proprietorship – Unincorporated business that has only one owner who pays personal income tax on profits earned from the business
 - b. Partnership – A formal arrangement by two or more parties to manage and operate a business and share profits (these partnerships can be either general, limited, limited liability, or public-private partnerships)
 - c. LLC – A business structure where the owners are not personally liable for the company’s debt or liabilities
 - d. S Corp – A corporation that has special tax status granted by the IRS
 - e. C Corp – A corporation that pays its own income tax
 - f. Cooperative – A member-owned business structure with at least five members who have equal voting rights
 - g. Nonprofit – A business that provides some kind of public or social benefits and is exempt from paying federal and state taxes
 - h. L3C – A low-profit limited liability corporation that pursues socially beneficial objectives as its primary business motive
4. IRS Employer ID # (EIN)
 - a. An employer identification number, or a federal tax identification number, is used to identify a business entity
 - b. Most businesses are required to have an EIN to operate
 - c. Apply for an EIN online: <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
5. DUNS #
 - a. A DUNS number is a unique nine-digit identifier for businesses issued by the credit bureau, Dun & Bradstreet
 - b. Not all businesses need a DUNS # to operate
 - c. Apply for a DUNS # online: <https://www.dnb.com/duns-number/get-a-duns.html>
6. Name(s) of subsidiaries/affiliates
 - a. Subsidiary – A company whose parent company is a majority shareholder that owns more than 50% of the subsidiary’s company shares
 - b. Affiliate – A company whose parent company possesses a minority stake in the ownership of the affiliate
7. SBDC
 - a. Maine Small Business Development Center advisers at CEI provide assistance to potential and existing business owners
8. WBC

- a. CEI's Women's Business Center offers women business advising and networking opportunities, as well as workshops and programs to women in Maine
- 9. SCORE
 - a. The nation's largest volunteer and free business mentoring service
- 10. CEI Ag. (Agriculture) Program
 - a. Program developed in 2020 and supported by the Mills Administration to assist Maine food and agriculture businesses with COVID-19 infrastructure expenses
- 11. SBA EIDL
 - a. A loan provided by the Small Business Administration (SBA) to provide economic relief to small businesses and nonprofit organizations that are experiencing a loss of revenue due to COVID-19
- 12. PPP Loan
 - a. The payment Protection Program (PPP) is an SBA-backed loan to help businesses keep their workforce employed during the COVID-19 crisis
- 13. Loan collateral
 - a. An asset the lender will accept as security for a loan. If the borrower defaults on their loan payments, the lender may seize the collateral to recoup some or all of their losses
 - b. This collateral could take the form of real estate, inventory, accounts receivable, machinery, furniture, equipment, or other assets
 - c. Please note on the application if there are any outstanding loans (debt), or leases on the collateral (e.g., leasing a property)
 - d. Serial#/VIN refers to the vehicle identification number of the vehicle used as collateral
- 14. Accounts Receivable
 - a. Money owed to a company from its customers – this could represent invoices from customers who have ordered goods/services, but not yet paid for them
 - b. These are usually short-term and typically represent payments due within a year
- 15. Business Employment
 - a. FT = Full-time employees usually work between 30-40 hours per week
 - b. PT = Part-time employees work less than 30 hours/week
- 16. Employment Benefits
 - a. Employment benefits could include things such as: medical insurance, disability insurance, life insurance, retirement plans, paid time off, professional development
- 17. Bank/Trade Reference
 - a. This is the name of a person from your bank or vendor who will be able to speak to your payment history or creditworthiness

CEI Personal Financial Statement Glossary

- 1. Cash on Hand
 - a. Provide the total amount of money that you have in your personal checking and savings accounts, including jointly owned accounts with your spouse
 - b. Cash on hand can also include cash equivalents with a maturity of less than 90 days (i.e. that can be easily converted into cash), such as money market accounts and short-term government bonds
- 2. IRA/Other Retirement Accounts

- a. Include the complete valuation of any retirement accounts, which could include traditional IRAs, Roth IRAs, 401(k)s, 403(b)s, or any other retirement plans
3. Accounts and Notes Receivable
 - a. This would refer to any money you have personally lent to friends or family – it is not commonly used
4. Life Insurance – Cash Surrender Value
 - a. The cash surrender value is the sum of money an insurance company would pay to a policyholder in the event of a voluntary cancellation prior to maturity/an insured event
 - b. This is not applicable to all life insurance policies – only those with where there is a cash payout if cancelled
5. Other Personal Property
 - a. This section should include the complete valuation of other personal valuables, such as antiques, jewelry, artwork, etc.
6. Notes Payable to Banks and Others
 - a. Money owed by a company to its financiers, which could include banks and other financial institutions as well as individual investors
 - b. Notes payable are considered long-term because they are payable beyond a year, but usually within 5 years
7. Salary
 - a. This is your income in the form of wages that can be found on the W2 or 1099 tax forms
 - b. This line can also include public benefits, such as Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Supplemental Nutrition Assistance Program (SNAP), or other income assistance programs
8. Net Investment Income
 - a. Income received from investment assets, such as bonds, stocks, mutual funds, loans, etc.
 - b. The sum of money is calculated from pre-tax income activities, such as interest, dividends, capital gains, rental income
9. Real Estate Income
 - a. This is the amount of rental income earned from properties after expenses are taken out
10. Contingent Liabilities Section
 - a. A potential loss that may occur depending on the outcome of a specific event, such as a pending lawsuit, product warranties, pending investigations
 - b. Note if the borrower is a guarantor or co-maker on any other debt obligations (not related to the entity applying for the loan)
11. Provision for Federal Income Tax
 - a. The estimated amount that a business expects to pay in federal income taxes for the current year
12. Real Estate Owned
 - a. Type of property – note the type of property, such as undeveloped lot, primary residence, investment property, etc.
 - b. Address – use the same address as you use on your personal tax return
 - c. Date purchased – use the date on the mortgage bill of sale

- d. Present market value – reflects the current appraised value of the property, i.e., how much it could be sold for today
- e. Mortgage holder and address – refers to the name and address of the bank to which you owe money to
- f. Status of mortgage – the status can be mentioned here, such as foreclosure, current, or paid in full

13. Stocks and Bonds

- a. Stocks and bonds are the complete valuation of all the securities that are in the ownership of the applicant
- b. Cost represents the initial purchase price of the stocks/bonds
- c. Market value quotation/exchange is the value of the security on the “as of” date – it is the value of the security on the stock market
- d. Date of quotation/exchange refers to the day where the value of the security was taken
- e. Total value should equal the number of shares multiplied by the market value quotation/exchange

14. Evidence of site control (for construction loans)

- a. Evidence of site control could be a deed to the land, a lease, or a purchase agreement