

Rural Healthcare Provider Loan Pool

INFORMATION and LOAN APPLICATION



Administered by
NEVADA RURAL HOSPITAL PARTNERS, INC.

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Rural Healthcare Provider Loan Pool

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Rural Healthcare Provider Loan Pool

Program Description

Funded by the State of Nevada, the Rural Healthcare Provider Loan Pool ("RHP Loan Pool") was created when the Nevada Legislature passed AB103 during the 2005 session.

The bill appropriated one million dollars to Nevada Rural Hospital Partners, Inc. for the purpose of establishing a revolving loan pool for rural and frontier healthcare providers. By establishing a permanent resource for rural and frontier providers, the program is intended to improve access to healthcare practitioners and services for Nevada's rural and frontier residents.

Use of Funds

Providing relatively easy access to low cost capital, funds may be used for:

- Purchase of equipment, including software;
- Other capital improvements;
- Enhancement of rural provider recruitment and retention;
- Improvements in the quality of care by enabling upgrades in diagnostic and treatment services.

Eligibility

Those eligible to apply for loans through RHP Loan Pool include healthcare service providers (individuals and/or businesses):

- In counties with less than 100,000 people; and
- In rural areas of urban counties, as designated by the Nevada State Office of Rural Health.
- Who improve access to healthcare services in rural and frontier Nevada.
- Who improve the quality of healthcare services in rural frontier Nevada.

The RHP Loan Pool Committee seeks applications that:

- Demonstrate evidence of the ability to meet the terms of the loan;
- Show readiness to begin projects shortly after funding for construction and remodeling;

Management

Nevada Rural Hospital Partners, Inc. is charged with management of the RHP Loan Pool, which is administered by a committee comprised of Nevadans from the fields of rural healthcare, economic development and finance. The Committee will seek continual balance between funding providers' needs and responsible lending. As loans are repaid, new loans will be funded and the RHP Loan Pool will continue to grow.

Nevada Rural Hospital Partners, Inc. is a consortium comprised of Nevada's rural and frontier hospitals. Governed by a Board of Directors made up of the Administrator/CEO of each facility, NRHP has a long history of creating shared services and programs, and providing advocacy for its members.

Rural Healthcare Provider Loan Pool

Applying for a Loan

On behalf of the RHP Loan Pool, Nevada Rural Hospital Partners (NRHP) welcomes your application and wishes you success in your financing endeavors. NRHP staff will be pleased to answer any questions you may have, or to provide technical assistance in preparing the application. A brief pre-application discussion with NRHP staff is recommended to ensure that the borrower and project qualify for financing. **For more information, please contact Joan Hall, President, Nevada Rural Hospital Partners at 775-827-4770.**

General Information

- Letter of Intent:
 - In order to organize the operation of the RHP Loan Pool efficiently, a letter of intent is required so that Committee activity can be planned.
 - A standardized format for letters of intent is required and may be found on **page 4** of this Loan Application.
 - Letter of intent will be used as the first screen for eligibility.
 - Upon receipt of a letter of intent which is determined by NRHP (for the Committee) to be eligible for consideration, the applicant will be invited to submit a complete application.

- Applications will be accepted on a continual basis. Generally, applications are due two weeks after NRHP has received your letter of intent.

- The RHP Loan Pool Committee may require a site visit to evaluate the project and the borrower's operation.

- All loans must be approved by the RHP Loan Pool Committee at a regularly scheduled meeting in Reno. Applicants may be asked to attend the meeting to present their proposals and/or to answer any questions from the Committee.

- There is a loan application fee of \$400, refundable only if the application is rejected upon initial review because it is incomplete, inaccurate, and/or ineligible for RHP Loan Pool fund use. In addition, depending on what is required for a specific application, there may be additional fees for credit reports, recording fees, UCC-1 filing fees, special meeting and mailing costs and/or for other items as specified by the Committee.

- The RHP Loan Pool Committee has sole discretion for the approval of your application. There is no guarantee that your proposal will be funded.

Preparing the Application

1. Application **must** be typed and mailed, or completed online (<http://nrhp.org/what-we-do/loan-pools>), printed and mailed or emailed to NRHP. A signed original copy must be provided by mail. **Incomplete or illegible applications will not be considered.**
2. Applications should be arranged in the following order:
 - Exhibit A (Tabs 1-7)
 - Exhibit B – Schedule of Monthly & Annual Loan Payments
 - Exhibit C (Attachments A-E)
 - Exhibit D – Application Checklist

Rural Healthcare Provider Loan Pool

Submitting the Application

NRHP must receive an original, signed copy of your application. Enclose a check in the amount of \$400, payable to **Nevada Rural Hospital Partners** and mail your original signed application to:

Rural Healthcare Provider Loan Pool
c/o Nevada Rural Hospital Partners
4600 Kietzke Lane, Suite I – 209
Reno, NV 89502
Attn: Joan Hall

The Closing Process

All approved borrowers will receive a loan closing package approximately one week after loan approval. The package is fairly self-contained and includes most of the documents required for closing. However, there are a few documents each borrower must individually provide for closing. Upon the borrower's completion and submission of the closing package to the Loan Pool Committee, a check will be issued in the total amount of the loan. Each loan closing will take approximately four weeks after loan approval, depending on the complexity of the transaction.

Rural Healthcare Provider Loan Pool

Letter of Intent – Format

[On applicant's letterhead]

Date

Joan Hall, President
Nevada Rural Hospital Partners
4600 Kietzke Lane, Suite I-209
Reno, NV 89502

Please accept this letter as formal notification of our intent to access the Rural Healthcare Provider Loan Pool.

- Loan Amount Requested: \$
- Repayment period requested (term of the loan):
- Intended use of loan funds (e.g. buy three new exam table for solo family practitioner):
- Service area proposed:
- Provide Verification that the request is consistent with the allowable uses for RHP Loan Pool funds. *[Note: see Allowable Uses Policy on website: <http://nrhp.org/what-we-do/loan-pools>]*
- Security for the loan (i.e. pledging the equipment itself, or other real property as collateral for the loan):
- Proposed source of funds for debt service (i.e. operating revenue, or other):

Please forward the appropriate loan application.

Sincerely,
(signature and contact information)

Rural Healthcare Provider Loan Pool

Exhibit A Tab 2. Sources and Uses

Sources of Funds

RHP Loan Pool loan (Cannot exceed 95% of appraised value)	\$ _____
*Borrower funds	\$ _____
**Other sources, list (i.e. bank loan, grant, etc.): (terms) _____	\$ _____
_____	\$ _____
_____	\$ _____
Total Sources (must equal 100%)	\$ _____

* "Borrower funds" must comprise at least five percent (5%) of the total source of funds. This 5% must either be in the form of cash or documented project expenditures, subject to approval by the RHP Loan Pool Committee.

** If obtaining a bank loan, please describe the terms of the loan.

Uses of Funds

Purchase real property	\$ _____
Construction, renovation, remodel real property	\$ _____
Refinance real property debt	\$ _____
Purchase equipment	\$ _____
Finance start-up facility (case-by-case basis)	\$ _____
***Other _____	\$ _____
_____	\$ _____
_____	\$ _____
Other closing costs may be considered by the Committee (title, escrow, etc.)	\$ _____
Total Uses (must equal total sources)	\$ _____

*** Eligible uses include permit fees, architectural fees, pre-construction costs, feasibility studies, site tests, surveys, etc. [See page 1 for listing of qualified Uses of Funds.]

Rural Healthcare Provider Loan Pool

Exhibit A

Tab 3. Project Information

PROJECT INFORMATION (USE ADDITIONAL PAGES AS NECESSARY)	
Provide the following information about the project:	
1a. What is the expected project start date?	1b. When will the project be complete?
2. List the precise street address, city and county of the project.	
3. For renovation or construction projects, list the name of the construction company or contractor (if one is already chosen) who will complete the work.	
4. List the name of any other lenders/grantors participating in the project; include phone numbers, status of the loan approval/grant commitment, terms of loan. Please provide a copy of loan/grant commitment letter, if available.	
5. For acquisition of real property, list the name of the seller. If seller is a partnership, provide the names of the individuals that make up the partnership.	

Purpose of Loan: (check all applicable boxes)

- Purchase real estate Construction Purchase equipment
 Refinance real estate Renovation
 Other (describe):

--

Provide a comprehensive description of the project. (Additional project information is requested on page 6).

--

Fully describe what specific problem or need in the rural community that this project addresses? *(i.e. community needs, demand, etc.)*

--

Exhibit A

Tab 3. Project Information (continued)

Real estate collateral will be required for *construction, acquisition, renovation* or *refinancing* projects. Therefore, for these types of projects, provide the name and address of the title company you have selected to handle your transaction.

Name of Title Company		Contact Person and Title	
Address of Title Company		Telephone Number	Fax Number
		E-mail Address	

For the types of projects listed below, please supply the following additional information in Tab 3:

	Construction or Remodeling	Acquisition or Refinancing of real property	Equipment
Required with Application	<ul style="list-style-type: none"> Project timeline Construction contract An estimate of property value [<i>Your broker/realtor can assist you in this area</i>] 	<ul style="list-style-type: none"> A description of the land or property to be acquired A copy of the existing loan or note (<i>for a refinancing</i>) Copy of executed purchase contract, counter offers, and all addendums for purchases An estimate of property value [<i>Your broker/realtor can assist you in this area</i>] 	<ul style="list-style-type: none"> A complete list of the items to be purchased, itemized by cost Provide copies of requisitions, invoices or estimates to support your request, if available
If available, however, not required at time of application; <u>will be required prior to loan closing</u>	<ul style="list-style-type: none"> Building permits required to begin construction An appraisal (not older than six months) verifying that the loan amount shall not exceed 95% of the "as improved" appraised value 	<ul style="list-style-type: none"> An appraisal (not older than six months) verifying that the loan amount shall not exceed 95% of the "as is" appraised value 	

Exhibit A

Tab. 4 Management Financial Discussion

Income Statement Discussion

Please provide a comprehensive management discussion of the last 3 years audited financials and current interim financials, or proforma financial statement. Include in this discussion any material changes from year-to-year for line item revenues, expenses, unrestricted net assets. Please provide explanation below.

Balance Sheet Discussion

Please provide a comprehensive management discussion of the last 3 years audited financials and current interim financials, or proforma financial statement. Also discuss any material changes in the assets, liabilities, or unrestricted net assets. Please provide explanation below and/or on additional page as needed.

List of Long Term Debt

List all debt owed by the Corporation. Place an * by any debt which is being refinanced with the Loan Pool loan. (Include existing lines of credit and amounts currently outstanding).

<u>Lender</u>	<u>Original Loan Date / Amount</u>	<u>Amount Outstanding</u>	<u>Interest Rate/ Monthly Payment</u>	<u>Est. Value of Collateral</u>	<u>Maturity Date</u>	<u>Purpose (i.e. purchase, remodel) Description (i.e. address)</u>

Rural Healthcare Provider Loan Pool

Exhibit A

Tab 5. Population Served / Utilization / Community Service

Population Served http://www.nsbdc.org/what/data_statistics/demographer/

The following categories require the number of clients in each sub-group of the population to be served, as shown on the applicant's most recent records.

<u>Age</u>	<u>Gender</u>	<u>Ethnic Composition</u>
0-19 _____	Male _____	Asian/Pacific Islander _____
20-34 _____	Female _____	African American _____
35-44 _____	Total _____	Caucasian _____
45-64 _____		Hispanic _____
65 & Over _____		Native American _____
Total _____		Filipino _____
		Other _____
		Total _____

Describe Service Area: (E.g. Region, County, communities and/or contiguous zip codes (attach additional page as needed))

Utilization

Prior 3 Fiscal Years and Most Recent Month Ended

Month Year	One Month Ended _____ _____	Fiscal Year Ended _____ _____	Fiscal Year Ended _____ _____	Fiscal Year Ended _____ _____
Clients Served / (Patient Visits) Total	/ ()	/ ()	/ ()	/ ()

Community Benefit

A.	Are borrower's services made available to all persons in the area served by the facility?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
B.	Are borrower's services eligible for Medicaid reimbursement? If so, does the bower intend to accept Medicaid? <input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
C.	Describe the manner in which the project will improve access to quality healthcare services in rural and frontier Nevada (attach additional page as needed).		

Rural Healthcare Provider Loan Pool

Exhibit A

Tab 6. Legal Status Questionnaire

Legal Disclosure

All applicants are required to answer the following questions. If the answer is "Yes" to any of the questions below, *a detailed explanation and the amounts of any settlements, judgments or fines must be provided on Legal Disclosure Information page 13.*

For purposes of the following questions, the term "applicant" shall include the applicant and the project sponsor, and any subsidiary of the applicant or project sponsor if the subsidiary is involved in (for example, as a guarantor) or will be benefited by the application or project. Public entity applicants without fiscal responsibility for the proposed project, including but not limited to: cities, counties, and joint powers authorities with 100 or more members, are not required to respond to this questionnaire.

In addition to each of these entities themselves, the term "applicant" shall also include the direct and indirect holders of more than ten percent (10%) of the ownership interests in the entity, as well as the officers, principals and senior executives of the entity if the entity is a corporation, the members of the board of directors of a for-profit corporation, the general and limited partners of the entity if the entity is a partnership, and the members or managers of the entity if the entity is a limited liability company.

Note: Members of the board of directors of non-profit corporations, including officers of the boards are not required to respond to the questionnaire. However, Executive Directors, Chief Executive Officers, Presidents, or their equivalent and the Chief Financial Officers, the Treasurers, or their equivalent must respond. Additionally, the individual who will be executing the bond purchase agreement, if different from any of the above, must also respond.

Civil Matters

1. Has the applicant filed a bankruptcy or receivership case or had a bankruptcy or receivership action commenced against it, defaulted on a loan, or been foreclosed against in the <i>past ten years</i> ? If so, please explain.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
2. Is the applicant <i>currently</i> a party to, or been notified that it may become a party to, any civil litigation that may materially and adversely affect (a) the financial condition of the applicant's business, or (b) the project that is the subject of the application? If so, please explain.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
3. Have there been any administrative or civil settlements, decisions, or judgments against the applicant within the <i>past ten years</i> that materially and adversely affected (a) the financial condition of the applicant's business, or (b) the project that is the subject of the application? If so, please explain and state the amount.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
4. Is the applicant <i>currently</i> subject to, or been notified that it may become subject to, any civil or administrative proceeding, examination, or investigation by a local, state, or federal licensing or accreditation agency, a local, state or federal taxing authority, or a local, state or federal regulatory or enforcement agency?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
5. In the <i>past ten years</i> , has the applicant been subject to any civil or administrative proceeding, examination, or investigation by a local, state or federal licensing or accreditation agency, a local, state or federal taxing authority, or a local, state or federal regulatory or enforcement agency that resulted in a settlement, decision, or judgment? If yes to either question number 4 or 5, please explain.	<input type="checkbox"/> YES	<input type="checkbox"/> NO

Rural Healthcare Provider Loan Pool

Exhibit A
Tab 6 continued

Criminal Matters

6. Is the applicant <i>currently</i> a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving or that could result in <i>felony charges</i> against the applicant? If so, please explain.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
7. Is the applicant <i>currently</i> a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving or that could result in <i>misdemeanor charges</i> against the applicant for matters <i>relating to the conduct of the applicant's business</i> ? If so, please explain.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
8. Is the applicant <i>currently</i> a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, criminal charges (whether felony or misdemeanor) against the applicant for any <i>financial fraud related crime</i> ? If so, please explain.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
9. Is the applicant <i>currently</i> a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, that could <i>materially affect the financial condition of the applicant's business</i> ? If so, please explain.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
10. Within the <i>past ten years</i> , has the applicant been convicted of any <i>felony</i> ? If so, please explain.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
11. Within the <i>past ten years</i> , has the applicant been convicted of any <i>misdemeanor related to the conduct of the applicant's business</i> ? If so, please explain.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
12. Within the <i>past ten years</i> , has the applicant been convicted of any <i>misdemeanor for any financial or fraud related crime</i> ? If so, please explain.	<input type="checkbox"/> YES	<input type="checkbox"/> NO

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Exhibit A
Tab 6. continued

Legal Disclosure Information
(Please explain any "yes" answers on Legal Disclosure form)

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Exhibit A

Tab. 7 Certification

Please have the Executive Director of the agency, Board Chairperson, or other individual with the authority to commit the agency to contract complete the following certification:

1. *I certify that to the best of my knowledge, the information contained in this application and the accompanying supplemental materials is true and accurate. The applicant understands that misrepresentation may result in the cancellation of the loan and other actions which the Nevada Rural Healthcare Provider Loan Pool Committee and/or Nevada Rural Hospital Partners, Inc. Board of Directors is authorized to take.*
2. *I understand that the information included in this application is to be used by the Committee in determining whether to approve the loan and that the Committee may utilize other available sources which it considers necessary in making this determination.*
3. *The Applicant hereby agrees that all legal disclosure information requested has been disclosed on pages 11-13.*

By (Print Name)

Signature

Title

Date

Rural Healthcare Provider Loan Pool

Exhibit B. Schedule of Monthly and Annual Loan Payments
(____% Interest Rate)

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Exhibit C. Attachments (Please provide the following)

Attachment A. Financial Information

- Provide copies of the audited financial statements for the three most recent fiscal years and the most recent year-to-date interim financial statements (must be in the audited line item format*).
**Note: If Interim Financial Statements are not in the audited format processing of the loan application may be delayed. It may be necessary for you to contact your auditor to complete the interim financial statements. .*

Attachment B. Background

- Provide a copy of your organization's mission and history (i.e. brochure, website, literature). What programs do you provide? How long have you been providing them?
- List the street address, city and county of the organization's other facilities, if applicable.

Attachment C. Management Information

- Provide a copy of the ***Board Minutes or Board Resolution*** approving the application for a Rural Healthcare Provider Loan Pool loan for this project.
- Provide the resumes of the Executive Director, Chief Financial Officer, and/or key managers of the corporation.
- Provide the names of Board Members.
- Provide the name and title of the person designated by the Board of Directors to sign loan documents if financing is approved (e.g. the Executive Director).

Attachment D. License / Corporate Status

- Provide a copy of the ***State of Nevada operating license or certification (e.g. Department of Health & Human Services, or other authorizing agency)***, of the entity to receive funding.
- Provide copies of your corporation's certified ***Articles of Incorporation*** and ***Bylaws***, and any changes since the initial filings.

Attachment E. Certificate of Need (CON)/Department of Taxation

- Provide a copy of the approved CON when required by Nevada Revised Statute (NRS) 439A and the Nevada Administrative Code (NAC) 439A.
- Provide a copy of the Nevada Department of Taxation "Medium-Term Financing Package" when required by NRS 350.085-350.095, 350.800 and NAC 350.100-350.160.

Rural Healthcare Provider Loan Pool

Exhibit D. Checklist – RHP Loan Pool Application

Please use checklist to determine if application is complete. *Incomplete or illegible applications will not be considered for financing.*

Yes	Information Requested
<input type="checkbox"/>	Completed Sections re: Borrower Information, Loan Information & Eligibility
<input type="checkbox"/>	Completed Sources and Uses Information
<input type="checkbox"/>	Completed Project Information
<input type="checkbox"/>	If construction, acquisition, renovation or refinancing project, provided name and address of title company, as well as name, phone number and fax for the contact person at the title company
<input type="checkbox"/>	Provided requested additional information based on project type
<input type="checkbox"/>	Completed Management Discussion of Financials (Income Statement & Balance Sheet)
<input type="checkbox"/>	Provided List of Long-Term Debt
<input type="checkbox"/>	Completed Population Served / Utilization / Community Service Information
<input type="checkbox"/>	Completed Legal Status Questionnaire (with explanation for all "yes" answers)
<input type="checkbox"/>	Signed Certification re: application content and legal disclosure information
<input type="checkbox"/>	Provided copies of last 3 years audited and current interim financials or pro forma financial statements
<input type="checkbox"/>	Provided organization's background information
<input type="checkbox"/>	Provided copy of Board Minutes or Board Resolution approving NV Rural Healthcare Provider Loan Pool loan
<input type="checkbox"/>	Provided the resumes of the Executive Director, Chief Financial Officer, and/or key managers of the corporation
<input type="checkbox"/>	Provided the names of Board members
<input type="checkbox"/>	Provided name/title of the person to be designated to sign loan documents
<input type="checkbox"/>	Provided a copy of the <i>State of Nevada operating license (e.g. Department of Health Services, Social Services, or other authorizing agency)</i> of entity to receive funding
<input type="checkbox"/>	Provided copies of your corporation's certified <i>Articles of Incorporation</i> and <i>Bylaws</i> , and any changes since the initial filings
<input type="checkbox"/>	Provided a copy of the approved Certificate of Need as required.
<input type="checkbox"/>	Provided a copy of the "Medium-Term Financing" approvals from Nevada Department of Taxation, Debt Management Commission and Board of County Commissioners, as required.