

# WEST VIRGINIA CODE: §12-1A-4

## **§12-1A-4. Applications for loan priority; loan package; counseling.**

(a) An eligible lending institution that desires to participate in the linked deposit program shall accept and review loan applications from eligible small businesses that have been prepared with the advice of the Small Business Development Center. The lending institution shall apply all usual lending standards to determine the credit worthiness of each eligible small business and whether the loan application meets the criteria established in this article.

(b) An eligible small business shall certify on its loan application that: (1) The small business is in good standing with the state Tax Division, an authorized workers' compensation insurance carrier and WORKFORCE West Virginia as of the date of the application; (2) the linked deposit loan will be used to create new jobs or preserve existing jobs and employment opportunities; and (3) the linked deposit loan shall not be used to refinance an existing debt.

(c) In considering which eligible small businesses should receive linked deposit loans, the eligible lending institution shall give priority to the economic needs of the area in which the business is located, the number of jobs to be created and preserved by the receipt of the loan, the reasonable ability of the small business to repay the loan and other factors considered appropriate by the eligible financial institution.

(d) A small business receiving a linked deposit loan shall receive counseling provided by the small business development center when applying for the loan. The services available from the Small Business Development Center include eligibility certification, business planning, quarterly financial statement review and loan application assistance. The State Tax Division, WORKFORCE West Virginia and the authorized workers' compensation insurance carrier shall provide the Small Business Development Center with information as to the standing of each small business loan applicant. The Small Business Development Center shall include these certifications with the loan application.

(e) After all approvals of the Small Business Development Center and the financial institution have been given for a linked deposit loan, the Small Business Development Center and the financial institution shall forward to the Treasurer a linked deposit loan request in the form and manner prescribed by the Treasurer. The Treasurer shall notify the Small Business Development Center when the linked deposit is made.