**ON BANK LETTERHEAD**

DATE

Mr. Eddie Fitzgerald

South Central Tennessee Business Development Corp

101 Sam Watkins Boulevard

Mount Pleasant, TN 38474

RE: **Applicant** **Name**

Dear Mr. Fitzgerald:

We have reviewed the loan application and financial information for **Applicant** **Name**, and are unable to fund the project costs of **$Total Project Costs** because **(select reason below and delete the others):**

1. the business needs a longer maturity than the Third Party Lender’s policy permits.
2. the requested loan exceeds either the Third Party Lender’s legal lending limit or policy limit regarding the amount that it can lend to one customer.
3. the collateral does not meet the Third Party Lender’s policy requirements.
4. the Third Party Lender’s policy normally does not allow loans to new businesses or businesses in the applicant’s industry.

The loan request is made possible by participation with the South Central Tennessee Business Development Corp (CDC) utilizing the SBA’s 504 loan program. The subject property is located at **Address of Project Property**.

First Commerce Bank is willing to consider financing of up to $182,800.00, with a first lien position on the land, building and improvements acquired with loan proceeds. The CDC / SBA would finance an amount up to $146,000.00 (net proceeds), and have a second lien position. We would also seek the guarantees of Jubal Ragsdale and Debbie Ragsdale.

The bank will offer a term of **Bank Term** years amortized over **Bank Amortization Period** years with an initial interest rate of **Rate of Third Party Loan** and anorigination fee of **Amount of Bank Origination Fee**. It should be noted that this letter provides a reason for participation only; the bank’s formal commitment letter describes all the terms and conditions necessary in order to provide financing.

Sincerely,

**ENTER NAME**

**ENTER TITLE**