

**TEXAS COMMUNITY
DEVELOPMENT
BLOCK GRANT (TxCDBG)
PROGRAM**

Revolving Loan Fund

Information Guide

May 2013

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REVOLVING LOAN FUND (RLF) INFORMATION GUIDE

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RLF ADMINISTRATION AND IMPLEMENTATION

This document is designed to serve as a general guide for elements in the development, implementation, and administration of a Revolving Loan Fund (RLF). A local government electing to retain program income at the local level must have a Revolving Loan Fund Plan (RLFP) approved in writing by the Texas Department of Agriculture (TDA) prior to committing and expending any program income. The RLF must be used to fund economic development activities in accordance with Title I of the United States Housing and Community Development Act of 1974, as amended. In order to design a comprehensive RLF program, sample documents are attached for your review and consideration. These documents include a sample revolving loan fund plan (RLFP), sample loan application review criteria and a sample document checklist.

PROGRAM REQUIREMENTS

- 1) RLF funds are subject to all community development block grant (CDBG) statutory and regulatory requirements. All activities funded with RLF funds must comply with CDBG requirements, including but not limited to the following:
 - Fund an eligible activity;
 - Meet a national objective;
 - Meet the public benefit standards;
 - Meet the U.S. Department of Housing and Urban Development (HUD) requirements regarding interest earned on balances;
 - Create new full-time equivalent jobs or retain existing jobs primarily for low- and moderate-income persons;
 - Meet environmental review clearance requirements; and
 - Meet citizen participation requirements.
- 2) Every loan/award from the RLF must be used to fund the same type of activity from which such program income was derived. Each business or entity receiving a RLF loan must create and/or retain jobs as specified in the RLF guidelines. In order to comply with the CDBG national goal of expanding economic opportunities for persons of low and moderate income, a minimum of 51% of all jobs created or retained must be held by persons who qualify as low and moderate income.
- 3) At least one eligible loan/award from the RLF must be made every three years.
- 4) Local governments administering an RLF are required to monitor and report program income account balances reflecting amounts received and disbursed, and the status of outstanding loans. A program income report must be submitted to TDA quarterly and is due on the 20th day of the month after the end of each calendar quarter as follows: April 20; July 20; October 20; January 20.

- 5) Local governments administering an RLF must maintain loan documentation and servicing for the life of the RLF.
- 6) A local RLF may retain a cash balance not greater than 33 percent of its total cash and outstanding loan balance. The Department may require the local government to return program income exceeding the 33 percent requirement; however, the local government may request approval from the Department to retain the program income for a specified amount of time if the program income is expected to be used within the reasonably near future.
- 7) RLF funds cannot exceed 33.33% of the total project costs. The remaining funds must come from other sources, which include but are not limited to: a licensed financial institution, owner's equity, or other public funds, etc.
- 8) RLF funds are designed to fill a gap in the available financing for a project in the local market. RLF funds cannot replace funds a financial institution is willing to loan to the business. The applicant's private lender must submit a signed letter which states the reason(s) it is unwilling to loan more than a specified amount for the project.
- 9) At least one full-time equivalent (37.5 hours per week) permanent job must be created or retained per \$25,000 of RLF funds used. Each RLF loan, including loans of \$25,000 or less, must meet the minimum one full-time equivalent permanent job requirement.
- 10) For businesses proposing to create jobs, the business has one year from the date of loan closing to fill the new job(s). The job(s) should be targeted to low-income persons who, at the time of employment, fall below the HUD Section 8 Income Limits for the county where the local government is located.
- 11) For businesses proposing to retain jobs, the job(s) must be held by a low- to moderate-income person. The business must provide documentation that the employees will be permanently laid off or the business will close down or relocate out of state if RLF monies are not available.
- 12) The business must be located within the city limits and/or the city's extraterritorial jurisdiction. Assistance may not be provided to businesses intending to relocate from one area of Texas to the city, unless the relocating business provides satisfactory documentation that its other alternative is to leave the State of Texas. An intrastate relocation project may be considered if there is no objection by the local government in which the business is presently located.

PROGRAM TERMINATION (VOLUNTARY AND INVOLUNTARY)

TDA reserves the right to alter, amend or clarify any provisions, terms, conditions or requirements of this program, or to withdraw this program at any time, if TDA deems any such action to be in the best interest of TDA and the State of Texas. The decision of TDA will be administratively final in this regard.

If an RLFP is not submitted to TDA for approval within six (6) months from the commencement date of the local government's TxCDBG contract with TDA or if TDA does not approve a local government's RLFP, then all program income retained by the local government must be returned to TDA.

TDA may terminate a local government's RLF program, for any reason, including but not limited to: (1) failure to timely submit a quarterly program income report to TDA; (2) failure to make at least one loan from RLF funds every three years; or (3) failure to comply with any RLF requirement identified in this guide or any applicable CDBG requirements. In the event of such termination, all program income retained in the local RLF and any future RLF loan payments received by the local government must be returned to TDA.

DESIGN AND DEVELOPMENT OF THE RLF

When setting up a revolving loan fund program, there are several areas that should be reviewed and considered by a Community when developing a RLF. The following items serve as a general outline in the development of a successful RLF:

Goals and Objective of a Community's RLF

- Mission Statement

Policy that Identifies a Business' Eligibility to Apply for RLF Funds

- Any business
- Small businesses
- Commercial/industrial
- Non-profit/for profit businesses
- Existing businesses
- Start-up businesses
- Any combination of or additions to the above

Financing Method using Funds from the RLF

- Loan

Eligible Uses of Funds

- A loan to purchase land (must seek TDA approval)
- A loan to acquire a building (must seek TDA approval)
- A loan to construct a building or renovate an existing building

- A loan to purchase machinery and equipment*
- A loan for infrastructure improvements

* The purchase of equipment with CDBG funds is generally ineligible. This includes construction equipment, general purpose equipment, furnishings and personal property.

- *Equipment* means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000.
- *General purpose equipment* means equipment which is not limited to research, medical, scientific or other technical activities. Examples include, but not limited to, office equipment, furnishings, telephone networks, IT systems, air conditioning equipment, printing equipment and motor vehicles.

Terms and Conditions of the RLF

- Any special conditions/requirements for the different types of loans
- Loan amount – minimum and maximum amount
- Leveraging of other sources
- Maximum and minimum loan term
- Interest rate
- Collateral/Lien Position
 - Liens on real property in business
 - Liens on real property held personally
 - Machinery and equipment liens
- Loan fee, if any
- Prepayment policy
- Deferral of payments
- Necessity of guarantees
- Interest limitation of guaranteed loans
- Business equity requirements

Loan Selection Criteria

- Minimum performance standards
- Projected loss standard
- Establishment of standards for determining the credit-worthiness of borrowers
- Establishment of standards for underwriting the loan requests

Job Creation Requirements

- Number and types of jobs to be created
- Ratio of loan dollars to jobs created (not greater than 1 job / \$25,000)
- Milestones for job creation/retention and method of determining performance or lack of performance

Default Management

- Acceleration of note clause and when this situation would exist

- Collection methods and remedies
- Process for handling loans at the maturity date if not paid in full
- Penalties, if any, and when they are to be assessed

General Administration

- Determination of whether RLF administration will be done in-house or whether outside services will be contracted
- Administration expenses
- Program marketing
- Monitoring and reporting administration
- Confidentiality of client information
- Conflict of interest policy
- Equal employment opportunity policy
- Attorney review of all contracts and legal forms
- Collection and foreclosure policy

The RLFP should be designed to encourage minority enterprise development. In addition, the RLFP should allow for flexibility in establishing loan terms and conditions to tailor loans for the needs of individual businesses.

IMPLEMENTATION PROCEDURES FOR THE RLF

Once a RLFP has been designed, it is necessary to ensure that all goals and objectives identified will be carried out according to policy guidelines. One way to accomplish this is the development of procedures necessary to implement the RLF program. The following are examples of how this can be accomplished:

- Develop an application package for the RLF program. A Community's RLFP can be incorporated into the application.
- Develop an application process.
- Develop a process for credit underwriting.
- Determine the decision making process and who has the final decision making authority. Communities should try to reduce political influences on the loan selection process as much as possible.
- Determine the procedure for designing, processing, and closing of all required paperwork.
- Consider obtaining "model" legal documents such as promissory notes, commercial loan agreements, UCC filing verbiage, etc. (develop checklists for possible credit and collateral documentation needed on each loan in addition to promissory note and commercial loan agreement)
- Consider the "tickler systems" needed to keep up with RLF requirements. Examples could be reports, pending files, etc.

Packaging a RLF Loan

Before a loan is completed, a commitment letter should be finalized which details the terms and conditions of your RLF loan. This should be executed when the RLF loan is approved and the borrower signs acknowledgement. Next, develop and execute a Promissory Note which legally binds the borrower to the Community and evidences the borrower's obligation, including loan amount, rate, maturity and terms and conditions. A Loan Agreement should also be prepared which documents the terms and conditions of the loan and will mirror the commitment letter and the Promissory Note. It must require the borrower to comply with certain laws, regulations and policies. It will include the loan amount, evidence of the debt (Promissory Note), the rate of interest, the term of the loan, the repayment schedule of the loan and the purpose of the loan.

Marketing of the RLF

It is important to inform your community of the availability of funds for lending to businesses around the area. Your Community's RLF program information should be presented to public officials, lenders, and businessmen for their input regarding the proposed RLF and for the purpose of notifying them of the availability of funds. Additionally, RLF representatives should approach local lending institutions for the purpose of identifying those that are willing to participate and to what extent. Another way to market the RLF is to develop marketing strategies that target eligible firms and clearly convey to the firms the purpose of the RLF. It is a good idea to develop a brochure that announces availability of funds and loan requirements that can be placed in an area that might attract potential businesses.

ADMINISTRATION OF THE RLF

Your Community should consider selecting staff with experience and educational background in accounting and business finance to administer and monitor the RLF. Monitoring of the RLF is essential to ensure that national objectives and program guidelines are adhered to. The Community should determine who will be responsible for administration and monitoring of the RLF's policies and procedures. A Loan Servicing Agent (LSA) should be appointed who will be responsible for all RLF related transactions. LSA administrative costs can be charged to the RLF. The allowable percent for administrative costs is ten percent (10%). In other words, if a Community loans \$10,000 to a business, \$1,000 can be charged to the RLF for administrative costs incurred during the term of loan. The LSA should be responsible for all necessary monitoring and reporting, including submittal of the Program Income Report (PIR), and distributing reports to the appropriate people. The PIR should be submitted to the Department on a quarterly basis (see Program Requirements above). The LSA should also maintain contact with the businesses after they have received assistance to identify new financing needs, to monitor progress, and to provide technical assistance as needed.

When the RLF program is in place and loans have been made, it is important to monitor the effectiveness of the program. Evaluation methods for the RLF should be developed which identify strengths and weaknesses of the program. Results from the evaluations should be compared to the projected/anticipated results for possible corrective measures.

DELINQUENCY MANAGEMENT

The primary objective of default management is to resolve delinquent accounts in an effort to reduce or minimize loan losses. Each local government must develop procedures and guidelines for managing and collecting debts, including procedures to respond to and monitor bankruptcy proceedings. At a minimum, when notice is received of a business having filed bankruptcy, the local government should prepare and timely file a proof of claim with the bankruptcy court. The local government must maintain records of its collection efforts on each loan, including records of notices of bankruptcy filings, dismissals and discharge orders received from the United States bankruptcy courts.

RECORD KEEPING/FILING SYSTEM GUIDE

Any loan made from a Community's RLF should be treated as if it were a grant under the Texas Community Development Block Grant Program (TxCDBG). The following are files that Communities should keep at city hall or county courthouse. Contact TDA for sample documents or refer to a current TxCDBG implementation manual when necessary.

A. Application File

- Business' application
- Documentation of approval process
- Credit Underwriting/Financial Feasibility Reports
- Personal Guarantees/Collateral Documents
- Gap Financing Documents
- City council/Commissioners Court resolution approving RLF award
- Public Hearing information and responses from community
- Any other relevant information

B. Contract File

- Executed contract/Loan agreement/Promissory Note
- Amortization schedule
- Commitment letter for benefit to 51% low/mod income persons of all permanent jobs created/retained

C. Financial Management File

- Loan status reports

- Documentation of RLF transactions
- Source documentation to support the receipt and disbursement of RLF funds (cancelled checks, deposit slips, monthly bank statements, bank account reconciliation records, etc.)
- Collection efforts, if applicable

D. Federal Compliance Documentation

- Compliance with Davis Bacon labor standard requirements
- Environmental review record/assessment
- Procurement for professional services for administration of RLF if applicable
- Job creation / retention documentation
- Real Property Acquisition, if applicable
- Documentation of compliance with other applicable laws/authorities

E. General RLF program documentation

- General ledger of RLF account activity
- Monthly bank statements
- Bank account reconciliations
- Copies of Audits
- Copies of submitted Program Income Reports
- Any other relevant information

SAMPLE

Communities are encouraged to use the sample Revolving Loan Fund document below as it meets all program requirements. If a community elects to use its own form, it is subject to TDA review and approval prior to implementation.

CITY OF _____ REVOLVING LOAN FUND

Objective:

The City of _'s Revolving Loan Fund (RLF) was created as a public sector financial tool to stimulate economic growth in the community. The purpose of this initiative is to set up a revolving loan fund to provide capital for private projects that would not be possible without such assistance. The RLF is funded by program income which is a derivative of grants through the State of Texas originating from the U. S. Department of Housing and Urban Development, Texas Department of Agriculture, or any of its predecessors.

The program is not intended to duplicate or compete with local financial institutions, but rather to complement them. The major difference between the RLF program and conventional financing is the goal to be derived from lending money. While the goal for conventional financial institutions is profit, the goal for the RLF program is to create / retain jobs and capital formation in the private-sector. The RLF is designed to fill gaps in the local financial markets and provide or attract capital which otherwise would not be available for economic development.

In accordance with national objectives, RLF funds are awarded for the purpose of creating new permanent jobs or permanently retaining existing jobs, primarily for low and moderate income persons. In order to comply with the national objective, at least 51% of the permanent jobs created or retained by each business assisted with the RLF must be filled by persons who have a family income of less than 80% of the county median income.

PART I. LOAN PROGRAM

Program Guidelines

To receive consideration, applicants must meet the following program guidelines:

- At least one full-time equivalent (37.5 hours per week) permanent job must be created or retained per \$25,000 of RLF funds used. Each RLF loan, including loans of \$25,000 or less, must meet the minimum one full-time equivalent permanent job requirement. For businesses proposing to create jobs, the business has one year from the date of loan closing to fill the new job(s). The job(s) should be targeted to low-income persons who, at the time of employment, fall below the HUD Section 8 Income Limits for the county where the local government is located. For businesses proposing to retain jobs, the job(s) must be held by a low- to moderate-income person. The business must provide documentation that the

employees will be permanently laid off or the business will close down or relocate out of state if RLF monies are not available.

- RLF funds cannot exceed 33.33% of the total project costs. The remaining funds must come from other sources, which include but are not limited to: a licensed financial institution, owner's equity, or other public funds, etc.
- RLF funds are designed to fill a gap in the available financing for a project in the local market. RLF funds cannot replace funds a financial institution is willing to loan to the business. The applicant's private lender must submit a signed letter which states the reason(s) it is unwilling to loan more than a specified amount for the project.
- The business must be located within the city limits and/or the city's extraterritorial jurisdiction. Assistance will not be provided to businesses intending to relocate from one area of Texas to the city, unless the relocating business provides satisfactory documentation that its other alternative is to leave the State of Texas. An intrastate relocation project may be considered if there is no objection by the local government in which the business is presently located.

Eligible Uses of Funds:

- A loan to purchase land (must seek TDA approval)
- A loan to acquire a building (must seek TDA approval)
- A loan to construct a building or renovate an existing building
- A loan to purchase machinery and equipment*
- A loan for infrastructure improvements

* The purchase of equipment with CDBG funds is generally ineligible. This includes construction equipment, general purpose equipment, furnishings and personal property.

- *Equipment* means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000.
- *General purpose equipment* means equipment which is not limited to research, medical, scientific or other technical activities. Examples include, but not limited to, office equipment, furnishings, telephone networks, IT systems, air conditioning equipment, printing equipment and motor vehicles.

Loan Terms:

Loans are provided to the applicant at a rate of 2% below the prime lending rate at the day of closing. Repayment is computed on a monthly installment basis. The repayment of the loan may not exceed 10 years.

Loan Security/Collateral:

The proposed loan must be secured by sufficient collateral to assure repayment.

Loan Amount:

The minimum amount of a loan may not be less than \$25,000. The maximum amount of a loan is limited to the amount of available funds in the RLF account at the time of closing.

Application Process:

The owner of the new or expanding business must complete all of the required forms (loan application package) included in this document.

Upon submission, the application will be reviewed for technical adherence to the guidelines by the (CITY STAFF PERSONNEL/CONSULTANT/ETC. WHOM THE CITY PROCURES TO ADMINISTER THEIR PROGRAM). Should the application be deficient, the applicant will be contacted for additional information. After completion of the technical adherence review, the application will be submitted to the RLF Committee for a funding recommendation, utilizing the Review Criteria established and included as part of the document. The recommendation of the RLF Committee is submitted to the City Council for approval.

Available assistance:

When requested, technical assistance will be made available.

Other:

The application, once submitted to the City Council becomes public information. Upon written request to City Council, and subsequent approval, the document may be made available to the public.

LOAN APPLICATION CHECKLIST

A sufficient number of copies (as determined by the City/County RLF Committee) of the completed application package, one of which must be an original, should be submitted to:

Revolving Loan Fund Committee
c/o City Manager or County Official
Post Office Box _____
_____, Texas _____

All exhibits should be labeled in the upper right hand corner of the page. If a required exhibit is not applicable to your business, place a sheet of paper at the appropriate place and state that this exhibit is not applicable.

Exhibit A

_____ Project Description and Business History. Provide a brief history of your company and include a detailed project description of the intended use of RLF monies, also include a paragraph describing the expected benefits your company will receive from the loan. The statement should be no more than two single-spaced typed pages.

Exhibit B

_____ Letter of Commitment. A firm commitment letter from a financial institution must be included in the application package. The letter must have the following ingredients: language which indicates that the loan has been approved by individuals or committees empowered to lend the amount stated in the commitment letter and that the institution will lend, subject to certain conditions; specific dollar amounts, specific term in years, specific interest rate; the use of funds (i.e., equipment or real estate purchase, working capital, etc.); specific collateral or security; monthly debt repayment; specific conditions attendant to the loan. Also, the lender's letter should comment on the reasons why it will not provide additional funds to the project. It should state that the financial institution's loan is contingent upon a loan in a specific amount from the Revolving Loan Fund.

Exhibit C

_____ Job Hiring Statement. Complete the Job Hiring Statement applicable to project.

Exhibit D

_____ Resume of Principal Owners. Attach resumes that provide a brief description of the education, technical, and business background for all stockholders, partners, or owner(s) of 20% or more of the company.

Exhibit E

_____ List of Subsidiaries or Affiliates. List any subsidiaries or affiliates and note their relationship with your company. Include a current balance sheet and operating statement for each company listed.

Exhibit F

_____ Source and Use of Funds. Complete the Source and Use of Funds form for the proposed project.

Exhibit G

_____ List of Machinery and Equipment. Complete the List of Machinery and Equipment to be Purchased form. Include only equipment to be purchased with RLF monies.

Exhibit H

_____ Summary of Collateral. Complete the Summary of Collateral form. Include information for the RLF and any prior liens.

Exhibit I

_____ Budget Estimate. Attach budget breakdown on construction, engineering, and administration costs.

Exhibit J

_____ Balance Sheets. For an existing business, include a comparative balance sheet that includes financial data for the past two years. In addition, include a two year projected statement.

Exhibit K

_____ Profit and Loss Statements. Provide a comparative profit and loss statement that includes financial data for the past two years. In addition, include a two year projected statement.

Exhibit L

_____ Business Plan and Market Feasibility Information. For a new business start-up, provide a business plan and any market feasibility information.

Exhibit M

_____ Personal Income Statements. Provide a personal income statement for all principals owning 20% or more share of the company. This statement should cover the prior three years and the most recent 90-day period.

Exhibit N

_____ Annual/Monthly Cash Flow and Cash Flow Projections. Provide an annual and a monthly cash flow statement and cash flow projections for one year.

Exhibit O

_____ Purchase or Lease of Land/Building. Provide a copy of any applicable purchase and/or lease agreements for and and/or buildings.

Exhibit P

_____ Construction Estimates. Provide a copy of any applicable construction estimates for the project.

Exhibit Q

_____ Letter of Compliance. Submit a letter on owner stationery stating that the business will comply with all applicable rules, regulations, requirements, and assurances as stated in the original revolving Loan Package and any changes and amendments as approved by the city Council of the City of _____. A copy of the package may be obtained by contacting the City Manager.

Exhibit R

_____ Credit Report. A current credit report for the business must be sent directly to the City Manager, from the reporting agency. A credit report must be submitted for each principal owning 20% or more of the company. (The applicant is responsible for the cost of the credit reports.)

EXHIBIT C

JOB HIRING STATEMENT

_____ in consideration of a Revolving Loan of \$_____ through the Revolving Loan Fund attest that it will create and maintain _____ full-time (minimum 37.5 hours per week) equivalency jobs for the duration of the Loan Agreement which shall be no less than six months. The position(s) (minimum of one job per \$25,000 of RLF) are to be filled by individuals who, at the time of employment fall below the HUD Section 8 Income Limits for _____ County.

_____ shall give preference to participants in the Job Training Partnership Act (JTPA) program.

In the space provided below, indicate the expected date of hire and hourly wage rate per employee. (IF NECESSARY, ATTACH ADDITIONAL SHEETS.)

POSITION	HIRE DATE	RATE OF PAY
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Signature of Authorized Office for Business

Date

Typed Name of Firm

EXHIBIT F

Source and Use of Funds

	Bank	+	Owner Equity	+	RLF	+	Other	=	Total
Rate %									
Term (Years)									
Land									
Building									
Machinery/ Equipment									
Inventory									
Other: (please list)									
TOTAL									

EXHIBIT H

**SUMMARY OF COLLATERAL
FOR REVOLVING LOAN FUND**

If your collateral consists of land and building, and/or inventory, fill in the appropriate blanks. If you are pledging machinery and equipment and/or furniture and fixtures, please provide an itemized list that contains serial and identification numbers for all articles that have an original value greater than \$500. Include legal description of real estate offered as collateral.

	Present Market Value	Present Mortgage Value	Cost Less Depreciation
Land and Building			
Machinery/Equipment			
Furniture & Fixtures			
Inventory			
Total Collateral			

The above columns are not related and do not total. Please used figures that are, to the best of your knowledge, as accurate as possible.

LOAN REVIEW CRITERIA

Each loan application will be evaluated to determine: the credit worthiness of borrowers and for underwriting loan applications; the benefits to be provided to the residents of the City; and compliance with federal, state and local laws, regulations, and policies. The evaluation criterion includes the following:

Project Feasibility:

1. Is the project economically viable?
2. Based on realistic market projections, will cash flow be sufficient to repay the loan?
3. Does the applicant have sufficient experience in the field?
4. Is collateral adequate to support the loan?
5. In the event of default, how difficult will the foreclosure process be?
6. Have all owners and principals provided necessary information evidencing support of the loan? Do the guarantors have sufficient assets to pay off the loan?
7. Do the credit reports of the business and owner indicate a history of prompt payment?
8. Has an adequate business plan been prepared?

Community Benefits:

1. How many jobs will be created and/or retained? Will the business hire low and moderate income persons who are current residents of the area? When will the employees be hired and what will the wage rates be?
2. What will be the environmental impact if the business is established in the City?
3. How will the project affect historical and/or cultural resources in the City?
4. Will the project add diversity and stability to the local economy?
5. Is the product or service provided by the business similar to the product or service of an existing business?

6. If this loan is approved, will the business gain an unfair advantage over local competition?
7. Will this business provide positive “spin-off” benefits to existing businesses?
8. What will be the benefits and detriments to the City if the business is established or expanded?

Program Stipulation

1. Will the business be located within the City?
2. Will the project necessitate the relocation of individuals or businesses?
3. Have all owners or principals provided assurance of compliance with all laws and regulations?

Revolving Loan Fund - Case File Document Checklist

Date: _____ Reviewer: _____

Project ID # _____ Administrator: _____

ITEMS IN EACH RLF LOAN FILE	ANSWER			NOTES
	Y	N	N/A	
APPLICATION SECTION				
• Application and any additional information requested from benefiting business				
• Documentation of approval process				
• Credit Underwriting/Financial feasibility report				
• Personal Guarantees/Collateral Documents				
• Gap financing documentation				
• City Council/County Commissioner Resolution approving RLF Loan				
• Public hearing information and comments regarding loan from the RLF				
CONTRACT SECTION				
• Executed Contract/Loan Agreement/Promissory Note				
• Amortization Schedule				
• Commitment letter for benefit to 51% low-mod income employees				
FINANCIAL MANAGEMENT SECTION				
• Loan status reports				
• Copies of payments received				
• Collection efforts if applicable				
FEDERAL COMPLIANCE DOCUMENTATION				
• Davis Bacon labor standards requirements				
• Procurement of professional services for administration				
• Real property acquisition/relocation				
• Job creation documentation				
• Environmental review				
• All other pertinent compliance documentation				

ITEMS IN RLF PROGAM FILE	ANSWER			NOTES
	Y	N	N/A	
GENERAL RLF PROGRAM DOCUMENTATION				
• General ledger				
• Monthly bank statements				
• Bank account reconciliations				
• Copies of previously provided program income reports				
• Other relevant information				