

DISBURSEMENT OF FUNDS:

Loan funds are disbursed at the time the funds need to be used by the borrower for the purpose for which the loan is made. The debt must be incurred after loan approval. Checks will be issued to the borrower upon proper billing, such as presentation of invoices that need to be paid.

APPLICATION PROCEDURE:

All potential applicants should first submit letter providing specific information about a proposed project so that a preliminary screening can be done. The information should include:

- The estimated total cost of the proposed project and a brief description of the project, including expected job impact.
- The purpose for which any requested RLF funds are intended and information relating to how much is anticipated to be needed from RLF; and
- Information relating to other funds which are anticipated to be used in the project. A potential applicant should submit the letter to the Iowa County Community Development Resource Agent (see back for address)

Past Revolving and Milk Volume

Production Loan Recipients: Leaping Lizards and Story Pottery, BEC Control, Triple D Dairy, Mineral Point Living Arts Center, Mike and Sherri Yager, Kelly Oil, Iowa County Humane Society, Dodgeville Family Chiropractic and Heartwood Farms.

HOW TO OBTAIN FURTHER INFORMATION ABOUT THE REVOLVING LOAN FUND

Potential borrowers and lenders should contact the CRD Agent in writing, by telephone, or personal visit.

Paul Ohlrogge
Community Development Resource Agent
UW-Extension Iowa County
222 North Iowa Street
Dodgeville, WI 53533
Voice: (608) 935-0391

Iowa County Officers, Supervisors and Personnel Involved in the Iowa County Revolving Loan Fund:

Mark Masters, County Board Chairman

Greg Klusendorf, County Clerk (keeps loan portfolio files)

Roxanne Hamilton, Finance Director (puts you on RLF committee agenda)

Jolene Millard, County Treasurer (keeps book, receives loan payments)

Tim Helmberger, Corporation Counsel (prepares loan documents, etc.)

Committee on Administrative Service:
Dana Perry, Dana McGuire, Mark Masters, Peter Berg, Eric Anderson, Bill Ehr, Dwayne Hiltbrand, John Lind and Thomas Mueller.
(makes decisions on all loan applications)

Iowa County Revolving Loan Fund

A Program for Business Development and Job Creation



**Iowa County Board of Supervisors
Iowa County, Wisconsin**

April 2008

Iowa County Revolving Loan Fund

Information for Potential Borrowers and
Primary Lenders

GOAL OF THE RLF:

The overall goal is to improve employment and local economic conditions in Iowa County. The purpose is to assist in projects which would not be undertaken without such assistance.

OBJECTIVES OF THE PROGRAM:

- To create jobs for the unemployed and under-employed
- TO provide aid to small businesses when a need is demonstrated
- To diversify the economy in the industrial and commercial sectors
- To provide gap financing with attractive terms as an inducement to private sector lender participation
- To stimulate private sector investment in physical plants and equipment
- To enhance the redevelopment of blighted building and property, or fill vacant structures for industrial or commercial use.

ELIGIBLE APPLICATANTS:

Corporations, limited liability companies/partnerships, general partnerships, sole proprietorships, and not-for-profit corporations.

INELIGIBLE APPLICANTS:

Speculative investment companies, real estate investment companies, lending institutions, gambling operations, and non-public recreation facilities.

ELIGIBLE ACTIVITIES:

The purchase of machinery and equipment, furnishing and other fixed assets, real estate, renovation of buildings, and the preparation of land, as well as working capital and soft costs such as engineering, surveying, appraisals, architectural services, etc. Direct RLF financing of construction is eligible but not desired due to the Davis-Bacon prevailing wage requirement.

INELIGIBLE ACTIVITIES:

Debt consolidation, repayment or refinancing, and involuntary relocation payments.

LEVERAGE OF PRIVATE FUNDS:

At least one dollar of private funds for every one dollar of CDBG-funded RLF funds (county and municipal RLF's combined) will be required, except for requests of \$5000 or less (discretion of county).

JOB CREATION:

The creation of at least one new job or the retention (saving) of one job will be required for all projects. At least one job for each \$20,000 of RLF assistance will also be required. It is desirable that one job be created for each \$7,000.

SIZE OF LOANS:

Based upon availability of funds, but can generally be expected to range up to \$60,000 of RLF funds.

TERMS OF LOANS:

Loan terms are generally for five years, but may be, if needed, amortized over a longer period with the balance due (or an increase in the interest rate) at the end of the five years. Terms will not exceed 20 years. Flexibility may be provided in terms of repayment such as deferment of payment of principal for a specified time, restructuring,

extensions, or other appropriate actions. Loans may be accelerated. If a borrower moves from the county, is found to discriminate contrary to federal law, or is in non-compliance with any state or federal law or the terms of the loan agreement.

INTEREST RATES:

The interest rate on RLF loans has been established at 5percent per annum. The interest rate will be increased at the end of five years for loans which have terms longer than five years. These rates can be renegotiated after five years if necessary.

CRITERIA FOR SELECTION OF PROJECTS:

Criteria include: Eligibility of applicants, eligibility of proposed activities, the extent to which private funds are leverages and jobs are created, the extent to which the loan can be secured, evidence of ability to repay the loan, size of the loan request, timing of proposed expenditures, and other factors as deemed appropriate. A primary consideration is the availability of funds.

LOAN APPROVAL AND DENIAL:

It is expected that the County Board can normally make loan approval of an application with 45 days of receipt of a completed application. Loan review committee recommendations are made to the full County Board at the next regularly scheduled meeting after the committee recommendation. The time required to complete an application will depend upon the complexity of the project and whether material have been prepared for other lenders.

SECURITY:

The fund will seek adequate security for all loans, but will normally be subordinate to financial instructions that participate.