



REVOLVING LOAN FUND INFORMATION & GUIDELINES

In an effort to promote and encourage economic development within the community, Rock Valley Economic Development has established a revolving loan fund to provide financial assistance to new and expanding businesses. The fund carries specific restrictions which must be adhered to by all parties.

PURPOSE

The Rock Valley Economic Development Revolving Loan Fund (hereafter identified as RVEDC RLF) is designed to provide supplemental financing in support of new and expanding businesses located in the Rock Valley community. The revolving loan fund will be used to make loans for one or more of the following purposes:

1. To increase employment opportunities by increasing the number and type of businesses in the Rock Valley area.
2. To offer financial assistance that will promote the retention and expansion of existing businesses and create quality jobs in the Rock Valley area.
3. To increase the property tax base.
4. To diversify the community's economic composition by encouraging unique or essential business concerns.
5. To enhance the improvement and viability of existing businesses and facilities used by the citizens.

GENERAL GUIDELINES

Type of Assistance

The Loan Fund will provide direct loans to new and expanding businesses in the Rock Valley community. The interest rate charged and length of the loan will be reviewed for each project. Loan rates will follow the general loan rate guidelines of the Sioux County Revolving Loan Fund. The maximum loan amount will be \$100,000 and the maximum term of the loan can be up to 10 years, with a 5 year preference. General preference of \$10,000 per job created, but amount is subject to change for each project.

Eligibility

Applications will be considered from all sectors of the local economy. These include businesses involved in manufacturing, commercial, service and retail operations.

Application Procedure

Applications for the RVEDC RLF will be accepted by the local Development Director at any time during the year, and considered on a continuous basis contingent, on the availability of loan funds. The RVEDC RLF loan review committee action may include funding the application for all or part of the requested amount, denying the application for funding, or requesting that additional information be supplied prior to making a recommendation. The committee will respond to each application within 30 days.

Several application forms are acceptable including the RVEDC RLF application form, Sioux County Loan Fund, State grants (CEBA etc.), or Northwest Iowa Regional Loan Fund.

The application shall be submitted to the Development Director. A non-refundable \$200 application fee must accompany each application. Applicant will also pay all legal fees and other costs related to the loan. Application forms and instructions will be available from the Rock Valley Economic Development office.

Threshold Criteria

All applicants for the RVEDC RLF must satisfy the following minimum requirements to be eligible for assistance:

1. Each project will be evaluated on the value to the Rock Valley community based on the increased property tax basis, retail sales increase, salary impact of the permanent jobs created or retained and the overall benefit to the entire area economy.
2. Loan funds shall provide no more than 30% of the project financing, with a maximum of \$100,000 per project.
3. There must be evidence that RVEDC RLF funds are necessary to make the proposed project feasible.
4. There must be evidence that the business requesting assistance can continue as a “going concern” in the foreseeable future without additional or ongoing assistance.
5. There must be evidence that no significant negative land use, environmental or other impacts will occur as a result of the project.

Eligible Area

The location of each RVEDC RLF project must be in the Rock Valley community, with preference given to those businesses located within the Rock Valley city limits. The Rock Valley community is identified as a 5 mile radius around the Rock Valley city limits. If the project activity is moved outside the eligible area during the life of the loan, the loan must be immediately repaid, including principal and interest.

Loan Review Committee

The Loan Review Committee will be comprised of 5 members, four appointed annually by the RVEDC Board and the City Administrator. The Development Director shall serve as the non-voting chairperson for this body. At least 3 affirmative votes are needed for approval.

Administration of the Loan Fund

The RVEDC RLF will be managed by the Rock Valley Loan Review Committee. The Development Director will be responsible for the administration of the fund. The Loan Review Committee will be responsible for overseeing outstanding loans and the repayment of loans. All principal and interest payments will be returned to the RVEDC and then made available for additional loans as funds allow.

Altering Loan Fund

The RVEDC RLF document and procedures can be altered and/or changed by a recommendation from the Loan Review Committee and a majority vote of the Rock Valley Economic Development Board

Loan Agreement

If a proposal is approved by the Loan Review Committee, the applicant will then sign a loan agreement with the Rock Valley Economic Development Corporation. This agreement, at a minimum, will establish the following:

- Interest rate of the loan, fixed or variable, and the terms of its variability
Interest rates may differ between projects. Rates charged depend upon the needs of each project and the degree to which the proposal is in conformance with the goals and priorities of the Rock Valley Economic Development Corporation. General guidelines for interest rates will be 1 ½% below prime. Loan terms will not exceed 10 years, with a 5 year term preferred. The term may vary from project to project.
- Frequency of loan payments and duration of payments
In general, repayment of loans will be made via equal payments over the term of the loan. Payments will be due and payable monthly, semi-annually or annually. Alternative schedules may be arranged if deemed appropriate.
The date of the first loan payment will be arranged on a project-by-project basis. Usually the date of the first payment will not exceed six months from the date of the loan
- Security and Collateral
Loans made by the RVEDC RLF may be secured by mortgages and/or liens against business assets. Such mortgages and/or liens may be subordinated to other financing. Other security, including personal guarantees, may be used and/or required.
- If the total project cost is less than the amount specified in the application, then the loan funds will be subject to disallowance and repayment.
- Submission of annual financial statements shall be required of all borrowers. A final performance review will be conducted at the end of the loan period.

ROCK VALLEY ECONOMIC DEVELOPMENT CORP.
1507 MAIN STREET
PO BOX 100
ROCK VALLEY, IA 51247

RE: 2014



REVOLVING LOAN FUND PROGRAM
APPLICATION FOR FINANCIAL ASSISTANCE

DATE: _____ \$100 Application Fee Attached: (Y / N)

Name of Applicant: _____

Business or Project: _____

SSN or Company Federal ID Number: _____

Contact Person: _____ Title: _____

Address: _____ Phone: _____

City: _____ State/Zip: _____ Cell: _____

Email: _____ Website: _____

Other Information: _____

Loan Amount Requested: _____

Terms Requested: _____

Total Cost of Project: _____

PROJECT FINANCING PLAN

Attach additional information if necessary

Applicant Funds: \$ _____ equity or loan \$ _____
(Loans, cash etc.)

Private Funds: \$ _____ equity or loan \$ _____

Other Funds: (Identify Each)

1. _____ \$ _____ equity or loan \$ _____

2. _____ \$ _____ equity or loan \$ _____

3. _____ \$ _____ equity or loan \$ _____

4. _____ \$ _____ equity or loan \$ _____

5. _____ \$ _____ equity or loan \$ _____

6. _____ \$ _____ equity or loan \$ _____

RVEDC RLF loan \$ _____

SECURITY

Indicate all forms of security which will be taken as collateral. Indicate personal guarantees and all other security you can provide:

EMPLOYMENT INFORMATION

Present Employees: Full-time: _____

Part-time: _____

Retained Employees: Full-time: _____

Part-time: _____

Employees added with Project: Full-time: _____

(Within 3 years)

Part-time: _____

List new jobs created by classification, job description and projected salary:

Description of Benefits provided to employees: (indicate full & part-time)

ADDITIONAL REQUIREMENTS

Please provide the following additional financial information:

1. Copies of Organizational Documents; Articles of Incorporation, Bylaws, Minutes and Resolutions which reflect company officials authorized to execute loan documents.
2. Documentation of Company Ownership Structure
3. Complete Business Plan. Include Marketing Plan, demand summary and orders
4. Financial Statements as well as Profit & Loss Statements. Provide 3 year historical for existing business. Provide 2 year projections for new business and resumes of principles with personal financial statements.
5. Operating Statements. Provide 3 year historical for existing or 2 year projections for new business.
6. Business Tax Returns for the past 3 (three) years
7. Capital Equipment List or current depreciation schedule
8. Letter of commitment from Banking Institutions or other funding sources
9. Copy of company's Iowa Quarterly "Employer's Contribution Payroll Report" for the past year and recent monthly Payroll Report or Register.
10. List any civil or criminal violation of State or Federal law which the company has been charged or convicted of during the last 5 (five) years. List all by Date, Agency and outcome or resolution and penalties or settlement terms.
11. Loan Fees; A \$100 application fee made payable to: Rock Valley Economic Development Corp. 1507 Main Street, Rock Valley, IA 51247. If legal fees exceed \$200 the applicant agrees to pay any additional costs incurred.

LOAN AGREEMENT AND NOTE

The Loan Agreement and Note will be drawn up between the borrower and RVEDC RLF so as to specify the loan, representations, warranties, and conditions of lending, affirmative and negative covenants of the borrower, events of default, miscellaneous and special conditions.

CERTIFICATION

We hereby certify that all of the information contained above and in all exhibits hereto are true and complete to the best knowledge and belief of the applicant and are submitted for the purpose of inducing the Loan Committee, who is authorized herein to check the credit and employment history and to receive information about the industries applied for in this application. Whether or not the financial assistance herein applied for is approved, applicant agrees to pay for the cost of any survey, title or mortgage examinations, approvals, etc. performed by a non-committee personnel with consent of the applicant. We also understand that the request is subject to available funds in the Revolving Loan Account and approval of the Loan Review Committee.

APPLICANT SHALL IMMEDIATELY NOTIFY THE LOAN REVIEW COMMITTEE OF ANY CHANGE IN OR ADDITION TO THE INFORMATION PROVIDED.

Financial Institution

By: _____

Title: _____

Date: _____

Individual, General Partner or Corporation

By: _____

Title: _____

Date: _____

USDA's Non-Discrimination Statement:

“USDA is an equal opportunity and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the ISDA Program Discrimination Complaint Form found online at http://www.ascr.usda.gov/complaint_filing_cust.html , or at any USDA office, or call (866) 632-9992 to request a form. You may also write a letter containing all of the information requesting in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov “

The following information is requested by the Federal Government in order to monitor compliance with Federal Laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but encouraged to do so. This information will not be used in evaluating your application or discriminate against you in any way. However if you choose not to furnish, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

Ethnicity:

Hispanic or Latino: _____

Non-Hispanic or Latino: _____

Race:

White: _____ Black or African American: _____

American Indian/Native American or Alaska Native: _____

Asian: _____ Native Hawaiian or Pacific Islander: _____

Other: (Please Identify) _____

Gender:

Male: _____ Female: _____

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