

REVOLVING LOAN APPLICATION (RLF)

DATE SUBMITTED: _____

PHONE NUMBER OF CONTACT PERSON: _____

NAME OF PERSON, CORPORATION, OR ASSOCIATION:

ADDRESS: _____

AMOUNT OF LOAN REQUESTED: _____

PURPOSE THE LOAN WILL BE USED FOR: _____

IS THIS PROJECT: _____ PRIVATE _____ PUBLIC _____ QUASI-PUBLIC

IS THE PROJECT: _____ FOR PROFIT _____ NOT FOR PROFIT ORGANIZATION

IF YOU HAVE ANY ADDITIONAL INFORMATION CONCERNING YOUR PROJECT THAT WOULD BE HELPFUL TO THE ASSET, ACQUISITION AND USE COMMITTEE TO UNDERSTAND YOUR PROJECT, PLEASE ATTACH.

SIGNATURE OF APPLICATION: _____

REVOLVING LOAN APPLICATION CHECKLIST

- _____ City RLF Application
- _____ Non-refundable City RLF Application Fee of \$ 250.00
- _____ Business Plan
- _____ List of specific use of loan
- _____ Listing of collateral to be offered to secure RLF loan (include values and names of other lien holders)
- _____ Agreement of prior or additional lien holders (if applicable)
- _____ Proof of equity investment (i.e. bank statement)
- _____ Past two (2) years of historical financial statements
- _____ Past two (2) years of business tax returns
- _____ Current business financial statement (less than 90 days old)
- _____ Two (2) years of projected cash flow statement
- _____ List of current outstanding debt
- _____ Personal financial statements of all owners (less than 90 days old)
- _____ Most recent personal tax returns of all owners
- _____ Cost estimates on all items being purchased with RLF funds
- _____ Copy of lease or purchase agreement (if applicable)
- _____ Commitment letters from any other lenders/project participants
- _____ Articles of incorporation, partnerships, ad/or operating agreements
- _____ Credit reports for all business owners

City of Wilmington City Revolving Loan Fund (RLF) Plan

Prepared by:



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A. Goals

The City of Wilmington shall utilize the funds originally from an Urban Development Action Grant (UDAG) for the establishment of a City Revolving Loan Fund- hereafter known as the City RLF.

The goals of the City RLF shall be to facilitate investment in commercial and residential buildings, create jobs, leverage private resources and/or improve community facilities and assets within the municipal boundaries of the City of Wilmington, Ohio through the implementation of this plan.

B. Eligible uses of the City RLF, including but not limited to:

- Purchase or capital improvements to private commercial or residential buildings
- Purchase or capital improvements to public or nonprofit owned facilities
- Construction or improvement of public infrastructure
- Purchase of capital equipment for commercial operations

C. Ineligible uses of the City RLF

- Financing of existing debts
- Expenditures prior to loan approval
- Reloaning of the RLF resources awarded
- Business operating expenses

D. Qualified Applicants

The City RLF funds are available to for-profit and non-profit corporations, private property owners, and public agencies and organizations based on the compliance with this plan and policies.

E. Review Process and Procedures

Qualified Applicants must file a City RLF Application, along with the required documentation as noted below, with the Mayor’s Office. The Mayor, along with the City Treasurer and City Law Director, shall constitute the City RLF Review Committee and may request an assessment of the creditworthiness of the borrower or proposed project from any independent agent.

The recommendation of the City of RLF Review Committee and any independent assessments shall be presented to Wilmington City Council for approval. City Council shall make the determination and set all parameters for the loan, and the City Council’s determination is final.

F. Application and Documentation Requirements

1. City RLF Application
2. Nonrefundable City RLF Application Fee of \$250
3. Business plan (if applicable)
4. List of specific use of loan
5. Listing of collateral to be offered to secure RLF loan (include values and names of other lien holders)
6. Agreement of prior or additional lien holders (if applicable)
7. Proof of equity investment (i.e. bank statement)
8. Past two (2) years of historical financial statements
9. Past two (2) years of business or personal tax returns
10. Current business financial statement (less than 90 days old)
11. Two (2) years of projected cash flow statement
12. List of current outstanding debt
13. Personal financial statements of all owners (less than 90 days old)
14. Most recent personal tax returns of all owners
15. Cost estimates on all items being purchased with RLF funds
16. Copy of lease or purchase agreement (if applicable)
17. Commitment letters from any other lenders/project participants
18. Articles of incorporation, partnerships, and/or operating agreements
19. Credit reports for all business/property owners

G. Public Records

The City RLF Application and all required documentation as noted are public records of the City of Wilmington and may be subject to public records requests as allowed under law.

H. Fixed Asset Loans

The City RLF is a fixed asset loan which may include the acquisition and/or improvement of land, buildings, machinery and equipment, including new construction or renovation of existing facilities, demolition and site preparation by said corporations within the municipal boundaries of the City of Wilmington.

I. Loan Collateralization

The City of Wilmington shall take a lien position on an accepted appraised value of the fixed asset for the term of the loan if applicable. This City shall take a 1st position lien whenever possible, but upon recommendation of City RLF Review Committee the City of Wilmington may take a lower position.

J. Loan Size

City RLF loans will range from a minimum of five thousand dollars (\$5,000) to a maximum of fifty thousand dollars (\$50,000) per loan.

K. Loan Interest Rates

The City RLF loan interest rate may be as low as 0% for non-profit borrowers and as high as the prime rate minus 1% for borrowers who are for profit corporations. The rate of City RLF loans are fixed on the date of closing for the term of the loan. The effective loan rate shall be determined with the recommendation of the City RLF Review Committee by Wilmington City Council.

L. Loan Terms

Terms will be no longer than the useful life of the asset: up to ten (10) years for real estate; up to seven (7) years for equipment.

M. Standard Fees

In addition to the nonrefundable City RLF Application Fee of \$250, each borrower will be responsible for any origination and attorney fees to close the loan which may be required by the City Law Director.

N. Moratorium on Principal Payments

An applicant may request a maximum moratorium period on principal payments of six (6) months.

O. City RLF Loan Matching Standards

Private investment or other organization funds must be leveraged at a minimum of one (1) private dollar to ten (10) RLF dollars for the proposed fixed asset or project. Private investment includes:

Financing from private entities

Capital invested by the borrowers or other investors

P. Conflict of Interest

City RLF Review Committee and Wilmington City Council members will not be allowed to vote on loan requests that may present a conflict of interest.

Q. Historical Notification Requirement

Upon approval of an RLF loan, the borrower will notify the State Historic Preservation Officer (SHPO) of each approved loan that involves significant new construction and expansion and request and receive comments on the effect of the proposed activity on historic and archaeological resources prior to the closing of the loan. In cases where the SHPO has recommended actions or has determined an adverse impact, the borrower must work with the SHPO to address any issues identified before the loan is closed.

R. Loan Payment Schedule

The City RLF Review Committee will recommend a loan repayment schedule and the method of repayment to be approved by the Wilmington City Council. All borrowers will be required to make City RLF loan payments on this approved schedule by Wilmington City Council.

S. Loan Closing

Once the details of the City RLF loan have been determined by the City RLF Review Committee and approved by Wilmington City Council. The City Treasurer and City Law Director will take action to ensure that all necessary closing and filing documents are prepared and the necessary review and discussion with the borrower is accomplished.

T. Loan Monitoring

Borrowers will be required to sign a memorandum of understanding at the time of closing requiring them to provide the City Treasurer financial statements, insurance policies and other required documentation annually.

U. Loan Collection

The City Treasurer shall act as the collector for the City RLF and shall ensure compliance with the terms of the loan as approved and pursuant to this plan.

V. Delinquent and Bad Debt Procedures

When payment on an account has reached sixty (60) days past due, it will be considered a delinquent account with the City RLF, and a written notice of payment failure and delinquency will be mailed to the borrower by the City Treasurer. The borrower must show they are taking appropriate measures to resume payment.

If an account becomes one hundred twenty (120) days past due, inquiry into legal action will begin unless the borrower has made reasonable steps towards bringing the loan to current status. The City Treasurer and City Law Director will proceed with collection efforts that are deemed the most likely to recover City RLF funds.