

JEFFERSON COUNTY REVOLVING LOAN FUND PROGRAM INFORMATION

Jefferson County manages a revolving loan fund that issues low-interest rate loans for companies to buy equipment and more. Below is an overview of the fund. Details listed are for informational purposes only and are not exhaustive.

RLF Eligible Applicants

Criteria for applicants include:

1. Applicant companies must be for-profit businesses.
2. Applicants must provide three years of historical financial statements that include: balance sheets, cash flow statements, income statements and accountant's notes.
3. If the applicant business is a start-up or less than 3 years old, applicant must provide an up-to-date comprehensive business plan that fully describes the proposed project.

RLF Eligible Activities

Program loans shall be available to eligible applicants for the following activities:

- 1) The acquisition of buildings and fixed equipment.
- 2) Site preparation and the construction or reconstruction of buildings or the installation of fixed equipment.
- 3) Working capital (inventory and direct labor costs only).

Minimum Requirements

To be eligible for funding, the following are a few requirements to be aware of:

- 1) **Private Funds Leveraged.** The applicant must leverage a minimum of one dollar (\$1.00) of private funds for every one dollar (\$1.00) of loan funds requested. Higher leverage may be required at the discretion of the Loan Review Committee.
- 2) **Cost Per Job Created.** At least one (1) full-time permanent position or full-time equivalent must be created for every \$20,000 of program funds requested. Positions must be maintained for a minimum of 24 months.
- 3) **Financial Feasibility and Business Viability.** The applicant must demonstrate that the proposed project is viable and the business will have the economic ability to repay the funds.
- 4) **Low and Moderate Income (LMI) Benefits.** Each project must demonstrate that it meets the CDBG-ED national objective of benefiting low to moderate income persons as defined by CDBG regulations. The project shall create jobs, at least 51% of the jobs must be held by or Made Available to LMI Persons.
- 5) **Project Completion.** Projects shall be completed within 24 months from the date of the loan approval. Applicants shall provide the Jefferson County a project implementation schedule not exceeding 24 months for project completion and job creation, and maintain the positions created for 24 months.

TERMS FOR LOANS

- 1) Interest rates range from 2-4 percent
- 2) Loan terms from 5-7 years
- 3) Option to defer payments for first year (interest will accrue)



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Explanation of JCEDC RLF Application Process

Three levels of approval are needed. The Jefferson County Revolving Loan Fund requires all completed applications to go first to a Loan Review Committee; then to the JCEDC Board of Directors; and then to the Jefferson County Board.

PLEASE NOTE: The process to apply for the JCEDC RLF is confidential up until the point that the recommendation for funding goes to the JCEDC Board. Financial information provided by the applicant remains confidential, however the name of the borrower and the project proposed cannot remain confidential.

1. The applicant receives the application from our office or downloads it from the website.
2. Once the application is submitted; staff reviews it to ensure all items on the checklist are completed.
3. A meeting of the loan review committee is convened. Depending on schedules, this will take place anywhere from 1-3 weeks after the application is submitted. The applicant is required to attend this meeting.
4. Typically, the application is approved or denied at a single meeting of the committee. If the committee consents to this being a viable and worthy project, they will make a recommendation to the JCEDC Board supporting its approval. The next step is to gain approval by the JCEDC board. The JCEDC Board meets monthly. The JCEDC's Board Agenda is public and requires published notice.
5. After the application is approved by the JCEDC Board, the JCEDC makes a recommendation to the Jefferson County Board of Supervisors for approval. The Jefferson County Board meets monthly. They will generally approve what has been recommended for approval by the JCEDC Board.
6. Following County Board approval; a contract is drawn up. This process generally is completed in 1-2 weeks.
7. Once all parties are in agreement with the contract and the contract is signed, a check can be issued. This process may take up to 1 week.

Committee Members – October 2016:

- a. William R. Brandel, Alderperson for the City of Jefferson
- b. Diane Rue, Johnson Bank
- c. David Tuell, Greenwoods State Bank



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Sample Application Process Timeline

- August 1: The applicant receives the application from our office or the website
- August 12: Application received and reviewed by the JCEDC. Finding it complete, the JCEDC Staff call a meeting of the Loan Review Committee.
- August 22: Loan Review committee convenes; Applicant appears before the committee. Loan is approved.
- August 25: JCEDC Board of Directors votes on the loan application. *(The JCEDC Board meetings usually take place on the fourth Thursday of the month.)*
- September 13: The Jefferson County Board of Supervisors for approval. *(The Jefferson County Board of Supervisors meetings take place on the second Tuesday of the month.)*
- September 14: Upon approval by the County Board, contracts are drawn up. This can take about a week.
- September 21: A check is issued.

