



# REVOLVING LOAN FUND APPLICATION AND GUIDELINES

*"This institution is an equal opportunity provider and employer."*

*If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested 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](mailto:program.intake@usda.gov)."*

**O'BRIEN COUNTY REVOLVING LOAN FUND**  
**USDA Rural Development Intermediary Relending Program (IRP) Revolving Fund**

**-GUIDELINES-**

The following information is provided to help you determine if your business is eligible to receive loans from the O'Brien County Revolving Loan Fund and the Rural Development Intermediary Relending Program Revolving Fund (IRP).

**PROCESS:**

1. Review the following information to determine your project's eligibility. If you feel your project is eligible, proceed with step two.
2. Contact the O'Brien County Economic Development office or a lending institution located within O'Brien County for an application form.
3. Complete the application materials, providing all requested information, and submit them to your lender and the O'Brien County Economic Development Corporation.
4. Upon receiving the application materials, the Revolving Loan Fund Committee will convene to review the application. The applicant and their lender will be called to participate in a confidential interview process.
5. The RLF Committee will then make a recommendation to the O'Brien County Economic Development Corporation Board of Directors, who hold the final authority on granting or rejecting the loan application. Concurrence must be received by the USDA before the application can be approved by the board. The OCEDC Board of Directors meets on the third Tuesday of each month.

**APPLICATION COSTS:**

A \$50.00 application fee payable to the O'Brien County Economic Development Corporation, must accompany the completed application. The applicant must pay any loan documentation costs. A 1% loan application fee will be due upon closing.

**PURPOSE**

The purpose of the O'Brien County Revolving Loan Fund and the IRP Account is to further the public purpose of economic development through joint private and public investments which involve the creation of new jobs and income, or the retention of existing jobs and income that would otherwise be lost.

The O'Brien County Revolving Loan Fund Committee, the O'Brien County Economic Development Corporation Board of Directors must determine that a public purpose will reasonably be accomplished before providing any RLF financial assistance. The committee shall give consideration to factors including, but not limited to, the following:

1. Manufacturing processes or distribution that would add diversity to the region's industrial mix, or that would generate new opportunities, should be weighted over those, which do not.
2. Revolving Loan Fund funds should be used to attract, retain or expand business or industry.

3. Use of the funds must be targeted toward projects that generate public gains and benefits, i.e. jobs that compare proportionately with the level of RLF participation.
4. Revolving Loan Fund resources may be used to attract industry presently located within the state of Iowa if the industry is considering, in good faith, relocation outside Iowa, or if the relocation is related to an expansion which will generate a significant number of new jobs.
5. Economic impact on O'Brien County from the loss of jobs associated with employers leaving the county or ceasing operation.
6. Economic impact on O'Brien County from the creation of new jobs and income.
7. Businesses that add value to products currently produced within the Revolving Loan Fund participation area (see 4.A) should be favored over those which do not.
8. Quality of jobs and wages paid will be a consideration.

### **CONSIDERATIONS**

1. Funding which is provided will be treated as public funds.
2. Interest earned on both Revolving Loan Fund loans and investment of unloaned portions of the Revolving Loan Fund will accrue to and remain in the loan fund.
3. Revolving Loan Fund funds loaned will be secured through the use of liens, security agreements or mortgages subordinate to private lending institutions whenever possible.
4. Lenders who are involved in a Revolving Loan Fund project shall participate in an annual review of the project until the loan is satisfied. After full review the O'Brien County Revolving Loan Fund committee will determine if changes in the project need to be made.
5. If a contributor should decide to terminate it's participation in the O'Brien County Revolving Loan Fund, the moneys in the fund and the moneys that will accrue to the fund will be credited to the participating parties according to the percentage of contribution.
6. These guidelines can be changed or amended by a vote of a majority of members of the O'Brien County Revolving Loan Fund Committee, with final approval given by the O'Brien County Economic Development Corporation Board of Directors and concurrence by the USDA.

### **ADMINISTRATION**

1. The O'Brien County Revolving Loan Fund will be in the custodial care of the OCEDC office, including but not limited to, loan disbursements, receipt and deposit of payments. The OCEDC office will be the physical custodian of all permanent records.
2. The O'Brien County Revolving Loan Fund committee will have the responsibility for determining loan advisability. This includes, but is not limited to, negotiating with borrowers such items as loan amounts, loan duration and repayment terms. The RLF committee will then make a recommendation to the OCEDC Board of Directors. Approval rests with the OCEDC Board of Directors after concurrence has been given by the USDA.

3. The O'Brien County Revolving Loan Fund committee will inform the OCEDC Executive Director of its recommendations and terms of all lending decisions.
4. A member of the participating private lending institution shall be present for the application process. If a RLF committee member has direct involvement with the application or is employed at the applicant's lending institution (or location), that member must abstain from voting.
5. A majority of the RLF committee must be present to conduct business.
6. New committee members shall be recommended by the OCEDC Executive Director with approval from the RLF Chairperson.
7. All loan requests will be subject to available funds and final approval by the OCEDC Board of Directors and concurrence of the USDA.
8. CEBA, SBA, or industry standard application forms used by banks for lending institutions can be used in lieu of the O'Brien County Revolving Loan Fund Application.
9. At least 51 percent of the outstanding interest or membership must be composed of those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence.
10. Certification must be made and documented that the applicant is unable to finance the proposed project from their own resources or through commercial credit or other Federal, State, or local programs at reasonable rates and returns.
11. As part of the application process to receive concurrence from the USDA, the Applicant must complete for the project a properly completed Form RD 1940-20. USDA will examine Form RD 1940-20 and complete the environmental review in accordance with section 4274.337 (b) of RD Instruction 4274-D. The results of this review will be used by USDA in making its decision on the request.

### **USE OF REVOLVING LOAN FUNDS**

Revolving loan funds may be used for the following:

- Land purchases
- Building purchases
- Building construction
- Machinery purchases
- Equipment purchases
- Any other uses deemed appropriate by the RLF committee in accordance with RD Instruction 4274-D.

### **PROJECT PARTICIPATION/ LENDING LIMITS/ DEFAULT AND REMEDIES**

1. Any project located within O'Brien County or within the corporate city limits of the Sheldon TIF District located in Sioux County.
2. The O'Brien County Revolving Loan Fund will endeavor to maintain a ratio of two private dollars per RLF dollar. To this extent, total O'Brien County RLF funds requested should not exceed 33.333% of the total project costs.

3. It is suggested the applicant provide a minimum of 66.666% of the total project cost through equity injection, additional financing, or equivalents.
4. Of the 66.666% the applicant must provide, a minimum of 12% of the total project cost must be in the form of cash or equivalents.
5. The maximum loan per project will be \$250,000.
6. Specific remedies addressing defaults or material misrepresentation, non-payment, non-compliance, project completion date, job attainment obligation, business changes, relocation or abandonment, misspending and insolvency or bankruptcy will apply to all loans.

**LOAN STRUCTURE AND TERMS**

1. All principal and interest will be paid back into the O'Brien County Revolving Loan Fund.
2. It is recommended there be a maximum 10-year payback on a loan from the RLF.
3. The O'Brien County Revolving Loan Fund committee and the applicant and/or their designated representatives will negotiate loan terms.
4. If the recipient of the Revolving Loan funds moves the funded business from the project participation area, fails to comply with any provision of their specific loan agreement, or any portion of these guidelines, or fails to meet job creation/retention goals offered as justification for use of RLF funds, the O'Brien County Revolving Loan Fund committee reserves the right to call the loan due, accelerate payment, or utilize other remedies to enforce compliance.
5. Interest rates and project terms may be based on the following criteria:

Length of Loan	Percentage
0-2 years	40% of commercial interest fixed rate available to the applicant
2-4 years	50% of commercial interest fixed rate available to the applicant
4-6 years	70% of commercial interest fixed rate available to the applicant
6-8 years	80% of commercial interest fixed rate available to the applicant
8-10 years	100% of commercial interest fixed rate available to the applicant

**LOAN ORIGINATION FEE**

A loan origination fee of one percent (1%) of the loan amount or a minimum amount of One Hundred Dollars and no/100 (\$100.00) shall be paid to the O'Brien County Revolving Loan Fund at the time of closing. The applicant must pay any loan documentation costs.

**O'BRIEN COUNTY REVOLVING LOAN FUND  
USDA Rural Development Intermediary Relending Program (IRP) Revolving Fund**

**APPLICATION FOR FINANCIAL ASSISTANCE**

1. Business Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_ Zip \_\_\_\_\_  
Contact: \_\_\_\_\_  
Marital Status: \_\_\_\_\_ Single \_\_\_\_\_ Married  
Telephone: \_\_\_\_\_

I hereby give permission to the OCEDC and USDA to research the company's history, make credit checks, contact the company's financial institution and perform other related activities necessary for the reasonable evaluation of this proposal.

\_\_\_\_\_  
Signature of Company Officer  
\_\_\_\_\_  
Title Date

2. Description and history of business

3. Describe in detail the proposed project you are asking us to fund:

4. What percentage of the company's sales will be outside O'Brien County?

\_\_\_\_\_

5. What percentage of the company's total operating expenditures, including wages and salaries will be spent within O'Brien County?

\_\_\_\_\_

6. What date will the project begin? \_\_\_\_\_

What date will be project be completed? \_\_\_\_\_

7. Has any part of the project been started yet? \_\_\_\_\_yes \_\_\_\_\_ no  
If yes, please describe:

8. How many employees are currently employed by the company? \_\_\_\_\_

If this company has more than one facility, how many full-time employees are there at the facility affected by this proposal? \_\_\_\_\_

How many part-time employees? \_\_\_\_\_

9. How many additional full-time employees will you add to the payroll within 24 months if this project is accomplished? \_\_\_\_\_

Additional part-time? \_\_\_\_\_

10. What is the estimated annual payroll for the new employees resulting from this project?

\_\_\_\_\_

11. What is the average wage rate projected to be for the new employees? \_\_\_\_\_

\_\_\_\_\_

12. Will any of the current employees lose their jobs if the project does not proceed?

\_\_\_\_ Yes \_\_\_\_ No

13. If yes, how many and please explain why:

14. How will this project benefit the City/County, etc?

15. Summary of project costs and proposed financing sources:

<b>Activity</b>	<b>Amount Needed</b>	<b>Amount Provided</b>	<b>Provided By</b>
Land Acquisition	_____	_____	_____
Site Prep	_____	_____	_____
Building Acquisition	_____	_____	_____
Building Construction	_____	_____	_____
Building Remodeling	_____	_____	_____
Machinery & Equip.	_____	_____	_____
Furniture & Fixtures	_____	_____	_____
Working Capital	_____	_____	_____
Receivables	_____	_____	_____
Inventory	_____	_____	_____
Marketing	_____	_____	_____
Other	_____	_____	_____
Other	_____	_____	_____
Describe	_____	_____	_____
<b>TOTAL</b>	<b>\$</b> _____	<b>\$</b> _____	

**columns must balance**



16. Terms of proposed financing:

<u>Amount</u>	<u>Type of Loan</u>	<u>Rate</u>	<u>Term</u>
OCEDC RLF	_____	_____	_____
Conventional	_____	_____	_____
Job Training	_____	_____	_____
Community Participation	_____	_____	_____
State Assistance	_____	_____	_____
Other	_____	_____	_____

17. Explain what form the business contribution to the project is: (i.e. cash, loan, equity, etc)

18. Identify all agencies or institutions involved in the project and what their involvement is:

19. Is there any potentially adverse environmental impact from this project? If so, explain:

20. Explain request for low interest loan. If market rate loan is not sufficient, please explain why.

21. What type of security and in what amount will the assisted business provide the O'Brien County Economic Development Corporation?

Mortgage \_\_\_\_\_ \$ \_\_\_\_\_  
What seniority or position? \_\_\_\_\_

Lien on \_\_\_\_\_ \$ \_\_\_\_\_  
What seniority or position? \_\_\_\_\_

Personal Guarantee \_\_\_\_\_ \$ \_\_\_\_\_

Other \_\_\_\_\_ \$ \_\_\_\_\_

None \_\_\_\_\_

22. Generally a decision by the O'Brien County Economic Development Corporation on this application can be expected within 30 days of its receipt.

Is that an adequate time frame? \_\_\_\_\_ Yes \_\_\_\_\_ No

If No, please explain the need for a quicker decision:

23. Is applicant's company willing to give preference in hiring to low and moderate income persons?

\_\_\_\_\_ Yes \_\_\_\_\_ No

24. Is applicant's company willing to give hiring preference to Iowa residents or residents of O'Brien County?

\_\_\_\_\_ Yes \_\_\_\_\_ No

24. Required attachments. Check off each one submitted. If not submitted, explain why:

- \_\_\_\_\_ Credit Bureau Report on applicant
- \_\_\_\_\_ Capital equipment list or current depreciation schedule
- \_\_\_\_\_ List of positions for jobs to be created (i.e. 5 welders, 3 assemblers)
- \_\_\_\_\_ Business Plan (if new business)
- \_\_\_\_\_ Profit and Loss Statements (3 year historical and 2 year projections)
- \_\_\_\_\_ Balance sheets or financial statements (3 year historical and 2 year projections)
- \_\_\_\_\_ Business tax returns (3 year historical)
- \_\_\_\_\_ Letters of commitment of funds from banks and other funding sources
- \_\_\_\_\_ Description of standard fringe benefit package provided to employees
- \_\_\_\_\_ Market demand summary / purchase orders
- \_\_\_\_\_ Resume of principals with personal financial statements
- \_\_\_\_\_ Company's Federal Identification Number
- \_\_\_\_\_ Documentation of company ownership structure (corporation, LLC, partnership, etc)
- \_\_\_\_\_ Copies of Company's quarterly Iowa "Employer's Contribution Payroll Report" for the past year and a copy of the most recent monthly Payroll Register
  
- \_\_\_\_\_ A list of any Civil or Criminal violations of State or Federal law which the Company has been charged with or convicted of during the last five years. Please include the violations and dates, the agency that charged the violation, the outcome or resolution, and any penalties or settlement terms.
  
- \_\_\_\_\_ Will the project involve a transfer of operations or jobs from any other Iowa facility or replace operations or jobs currently being provided by another Iowa company? If yes, please indicate the facility(s) and/or company(s) affected.

26. Further comments by applicant:

I hereby certify that the information provided herewith is correct. I authorize the O'Brien County Economic Development Corporation to research the Company's history, make credit checks, contact the Company's financial institutions and perform other related activities necessary for the reasonable evaluation of this proposal.

---

Signature of Company Officer

Date

Please return completed application to:

O'Brien County Economic Development Corporation  
P.O. Box 616  
160 S. Hayes  
Primghar, IA. 51245

**DATA COLLECTION and  
DISCLOSURE STATEMENT for RLF RECIPIENTS**

“The following information is requested by the Federal Government for certain types of loans and grants, in order to monitor compliance with civil rights laws. You are not required to furnish this information, but are encouraged to do so. The law requires that a program recipient may neither discriminate on the basis of this information nor on whether you choose to furnish it. However, if you choose not to furnish it, under federal regulations, this program representative is required to note race/ethnicity on the basis of visual observation or surname.”

Business Name: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_ I wish to provide this information **(Go to PART I)**

\_\_\_\_\_ I do not wish to furnish this information.

Authorized Signature \_\_\_\_\_ **(Go to PART II)**

**PART I**

**\*\*Please place NUMBER of employees next to the appropriate categories.**

**\*\*Owners should be counted as employees if they are directly involved in running the business.**

Ethnicity:

\_\_\_\_\_ Hispanic or Latino

\_\_\_\_\_ Not Hispanic or Latino

Race: (Mark one or more)

\_\_\_\_\_ White

\_\_\_\_\_ Black or African American

\_\_\_\_\_ American Indian/Alaska Native

\_\_\_\_\_ Asian

\_\_\_\_\_ Native Hawaiian or other Pacific Islander

Gender:

\_\_\_\_\_ Male

\_\_\_\_\_ Female

**PART II**

**The following information is required in accordance to your RLF Loan Agreement:**

\_\_\_\_\_ Total Number of Full-Time Employees

\_\_\_\_\_ Total Number of Part-Time Employees

Survey of Local Bank Products for Small Business Ultimate Recipient Loans\*:

\*Please note this is only a template. It is designed to assist the Agency in determining if various banking institutions offer products at better rates and terms of that offered by USDA. If there are only minimal banking options in a targeted area (ie., one bank) then the remaining bank column(s) do not have to be met. Please make note, if applicable, in the Reason(s) for "No Credit Elsewhere" box above and/or remove column(s).

Eligibility Bank #1

Bank Name: \_\_\_\_\_

Bank #2

Bank Name: \_\_\_\_\_

Minimum Credit Score Requirement

680

Liquid credit score model is used (person credit and business credit – DNB and Industry analysis)

Reason(s) for "No Credit Elsewhere"

Survey of Local Bank Products for Small Business Ultimate Recipient Loans\*:

\*Please note this is only a template. It is designed to assist the Agency in determining if various banking institutions offer products at better rates and terms of that offered by USDA. If there are only minimal banking options in a targeted area (ie., one bank) then the remaining bank column(s) do not have to be met. Please make note, if applicable, in the Reason(s) for "No Credit Elsewhere" box above and/or remove column(s).

Eligibility Bank #1

Bank Name: \_\_\_\_\_

Bank #2

Bank Name: \_\_\_\_\_

Minimum # Of Years In Business

Min 2 years with tax returns

Min 2 years with tax returns

Reason(s) for "No Credit Elsewhere"

Survey of Local Bank Products for Small Business Ultimate Recipient Loans\*:

\*Please note this is only a template. It is designed to assist the Agency in determining if various banking institutions offer products at better rates and terms of that offered by USDA. If there are only minimal banking options in a targeted area (ie., one bank) then the remaining bank column(s) do not have to be met. Please make note, if applicable, in the Reason(s) for "No Credit Elsewhere" box above and/or remove column(s).

Eligibility Bank #1

Bank Name: \_\_\_\_\_

Bank #2

Bank Name: \_\_\_\_\_

Debt To Income Ratio

Min 40%

Business and global cash-flow of at least 1.25

Reason(s) for "No Credit Elsewhere"

Survey of Local Bank Products for Small Business Ultimate Recipient Loans\*:

\*Please note this is only a template. It is designed to assist the Agency in determining if various banking institutions offer products at better rates and terms of that offered by USDA. If there are only minimal banking options in a targeted area (ie., one bank) then the remaining bank column(s) do not have to be met. Please make note, if applicable, in the Reason(s) for "No Credit Elsewhere" box above and/or remove column(s)