



## POLICY

### Revolving Loan Fund #2

**Purpose:** Generally a conventional loan fund offering “friendly debt vis a’ vis friendly interest rates and terms” to established business enterprises seeking “gap” financing in support of business expansion, retention or attraction investments. Exceptions will be considered on a case by case basis related to strategic business or industry opportunities.

**Funding:** RLF #2 was established with funds that Genesee County received in 2003 from a \$650,000 New York Governor’s Office for Small Cities grant. Under an agreement with Genesee County, GCEDC was authorized to administer the loan fund for the purpose of lending funds to eligible business firms in Genesee County that will create or retain employment. An amended agreement was entered into with Genesee County in 2012 restricting the GCEDC’s use of the related funds to necessary administrative costs as part of the defederalization process. Future loan requests will be submitted to the County for approval and funds will be redirected to the Genesee Gateway Local Development Corporation for loan disbursement.

**Administered by:** GCEDC

**Approving Board:** GGLDC

**Fund Value at 6/30/13:** \$689,575 (Total Cash + Receivables)  
(Currently held by GCEDC = \$538,087)  
(Currently held by GGLDC = \$151,488)

#### Program Elements:

1. Minimum Loan: \$25,000
2. Maximum Loan: \$200,000
3. Interest Rate: Fixed or Variable; Generally Fixed at 80% Prime at the time of loan commitment provided closing within 60 calendar days, otherwise interest rate set at closing; 3% Floor
4. Application Fee: \$250 (non-refundable)

5. Origination Fee: 2% + legal and filing fees
6. Amortization Period: 3 to 10 years
7. Fund Participation as % of Current Project Investment: Up to 50%; 10% minimum equity investment preferred; co-participation with other funding sources (bank, economic development loan fund, and/or available equity) required.
8. One or More Required: Pledged Collateral, Corporate Guarantees and/or Personal Guarantees
9. Allowable Funds Usage: Real estate acquisition / improvements, Equipment purchases / upgrades, working capital
10. Evidence of investment and / or funds utilization consistent with GCEDC mission to support enterprise sustainability and job retention and / or enterprise growth and job creation.
11. Additional information required:
  - a. Completed application
  - b. Project financials / project profile to include investment commitments
  - c. 3 year job creation or retention commitments
  - d. Business plan / pro-forma financials and cash flows (if available)
  - e. 3 years historical and current year financials (Income & Cash Flow Statements / Balance Sheet)
  - f. Audited or reviewed financial statements preferred
  - g. Presentation to board of directors may be required
  - h. Copy of third party financing commitment letter
12. Additional requirements may be imposed as necessary to comply with the defederalization process of related funds.