

**REVOLVING LOAN FUND GUIDELINES  
BASSETT/ROCK COUNTY CHAMBER OF COMMERCE, INC.**

**Eligibility requirements of ultimate recipient business of revolving loan funds.**

1. Business must be located within the boundaries of Rock County.
2. For each \$20,000 funding used for financing, the business commits to the creation or preservation of at least one job position. Preference is given to projects that will create or retain jobs for low to moderate-income persons.
3. All businesses must be at least 51% owned by U.S. citizens or resident aliens.
4. Start up and existing business expansion are eligible to make application. Eligible costs include the acquisition and development of land, easements and rights-of-way, construction, conversion, enlargement, repairs or modernization of buildings, plants, machinery, equipment, access streets and roads, parking areas, utility and service extensions, fees, technical assistance, start-up operating cost, working capital, refinancing and pollution control and abatement facilities.
5. "Agricultural production" businesses are **not** eligible to apply.
6. All lending decisions made by the "Revolving Loan Fund Review Committee" of the Bassett/Rock County Chamber of Commerce, Inc. will be based on information provided by and interviews with applicant businesses and will be final.

**Revolving Loan Fund Criteria**

1. All applications must be submitted to the Bassett/Rock County Chamber of Commerce, Inc. Revolving Loan Fund Review Committee on the authorized forms with all required attachments.
2. All applicants must obtain the necessary building permits prior to funding.
3. All projects must meet all building, fire, safety and zoning codes in effect at the time of the application.
4. The Revolving Loan Fund Review Committee will review projects.
5. Applicants will be notified in writing of the decision of the Revolving Loan Fund Review Committee.
6. Applicant businesses will be required to pay a \$25 application fee to the Revolving Loan Fund. Application fee will be refunded if approval is denied.
7. Applicants will be required to produce upon request, for loan board review, all documents related to the financial portfolio of the business; including but not limited to tax returns, business plans, and cash flow forecasts.
8. These revolving loan funds will not be the primary source of financing for the proposed business start up or expansion. The Revolving Loan Fund loan will take a secondary position to the primary financing source. Written commitment of primary lender is required.
9. All loans must be secured with any/all available assets and personal guarantees from the borrowers. At least 10% equity is required.
10. Financing utilizing Revolving Loan Funds will not account for greater than 40% of total financing of business start up or expansion. The maximum amount of financing provided by the Revolving Loan

funding for any one business would not exceed \$25,000, with a minimum of \$2,000, unless otherwise increased by the Revolving Loan Fund Review Committee Board.

11. Fixed asset financing will not exceed 15 years. Working capital and machinery equipment loans will be financed on a short-term basis of 1-7 years.
12. The loans will carry a fixed interest rate for the term of the loan with no prepayment penalty. The interest rate for the revolving loan pool will be determined by the Revolving Loan Fund Review Committee on an annual basis beginning each year on January 1, but will not exceed the prime interest rate as described by the Federal Reserve. The 2008 interest rate has been set at 4%.
13. Projects must begin within 180 days of the approval of loan by the Revolving Loan Fund Review Committee, then reapplication must be presented to the Committee.

#### **Administration of Revolving Loan Funds**

1. Bassett/Rock County Chamber of Commerce, Inc. Revolving Loan Fund Review Committee, will administer the Revolving Loan Funds.
2. Interest income produced by the Revolving Loan Fund will be distributed annually in the following manner:
  - a. One percent of the annual total interest income will be paid to Bassett/Rock County Chamber of Commerce, Inc. Revolving Loan Fund to defray administration/servicing costs of the fund.
  - b. Three percent of the annual total interest income will become a portion of future funds available to lend through the program.

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