



# Land Reutilization Corporation's Revolving Loan Fund

## POLICIES & GUIDELINES

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### General Purpose & Summary:

Business loan program providing low-interest financing for the purpose of fixed asset investments including purchase of land/building, building construction or renovation, and purchase of machinery and equipment. The program is designed to primarily provide gap financing alongside traditional financing. While the program will utilize a traditional risk-based review of applicant, the loan may also function as a means of financing in cases in which a business is not able to secure traditional bank financing.

The Miami County Land Reutilization Corporation (MCLRC) will manage all aspects of the program including application review, loan administration, compliance, and program marketing. Final loan review and approval is the responsibility of the MCLRC Board of Directors through a process to be approved via resolution.

### Basic Eligibility:

- For-profit business with operations located in Miami County, OR a business establishing a location in Miami County.
- Business must be in good standing on all debts and expense payments (i.e. utilities, insurance, etc.).
- Loan recipient must not have any tax-related legal action (local, county, state or federal) taken against it in the last 10 years. Exceptions may be granted if the matter has been remedied in a manner satisfactory to the Board.
- Residential projects may be considered only if determined to have a measurable impact on availability of workforce/attainable housing.
- Preference given to businesses located in townships and villages. City businesses are welcome to apply, provided they approach the City first to explore available local loan resources.

### Program Details & Requirements:

- Eligible loan amount: \$10,000 - \$100,000
- Term of up to 5 years for loans less than \$25,000 and up to 10 years for loans between \$25-100,000 but not to exceed useful life of asset to be financed.
- Interest rate shall be 2.5%
- The applicant shall submit a \$100 application fee for all new loan requests, requests to refinance or requests for subordination of existing debt held by the Board.
- At least 25% of funding must be from a source other than the RLF program (company or personal equity, or bank financing). Outside funds may not be sourced from an existing line of credit.
- All loans must be secured by collateral (liens on real property, deeds of trust, liens on machinery and equipment, personal and/or corporate guarantees). The MCLRC is willing to take 2nd position to traditional bank financing in certain cases.
- Company must maintain or increase employment for at least 3 years from time of loan disbursement. Failure to do so may result in penalties up to and including loan default.
- Due to the transitory nature of the asset, additional requirements will be required if use of funds is vehicle purchase. For example, the vehicle must be titled in Miami County. Vehicle title must remain in Miami County for either the term of the loan or until the time of full repayment.



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(Program Details & Requirements Continued)

- 1.5% of loan amount administrative/origination fee due at closing; loan fee minimum is \$300 and maximum is \$1500.
- Late payment fees of 5% of the payment amount.
- No early payoff fees.
- Waivers to any and all of these regulations may be approved at the discretion of the Board.
- Repayment of loan shall be due immediately if the project is not completed, the applicant falls more than 6 months behind on payment, or the business relocates outside of Miami County.

## Required Documents:

- For each person with 25% or more ownership interest in the company:
- Personal financial statement
- Affidavit of delinquent debt/obligations

## For Business:

- Proforma with assumptions
- Copies of 2 years of business financial statements or 2 years income tax returns (with all schedules attached)
- A list of all business debt
- Business Resolution or Operating Agreement (Description of borrowing entity (legal structure, organizational chart and composition
- Copy of BOI filing
- Copy of Driver's License
- Current interim (within 90 days) balance sheet and profit and loss statement
- Sources and uses of funds
- Commercial lender term sheet or declination letter
- Description of asset to be financed:
  - If real estate:
    - Current appraisal
    - Environmental Questionnaire, or Phase I or Phase II Environmental Report, if required
    - Purchase contract or leases
  - If construction:
    - Contractor estimates
  - If machinery or equipment:
    - Purchase Order



**Loan Application**

**For additional information,  
please contact the MCLRC  
at (937)440-8121**