

The Waupaca County Economic Development Corporation has retained funds for the establishment of a Revolving Loan Fund (RLF). This fund is designed to make direct business loans on a companion basis with other funding sources (private sector loans, government loans/guarantees, equity investments, etc.).

ELIGIBLE ACTIVITIES:

These include the following uses:

- * acquisition of land, buildings, equipment and fixed assets
- * new construction, expansion or remodeling of buildings
- * working capital

INELIGIBLE ACTIVITIES:

Loans will not be made for:

- * gambling operations
- * businesses not serving the interests of Waupaca County
- * residential construction

MINIMUM REQUIREMENTS FOR RLF LOAN

To be eligible, the proposed project must meet all of the following requirements:

Location - Activities financed under the RLF must be located within **Waupaca County**.

Feasibility - Applicant must demonstrate that the proposed project is viable and that there is the ability to repay the funds.

CONDITIONS

Loan Amount - Loan amounts are always subject to the availability of funds. The maximum amount of funding is \$100,000. There is no set minimum.

Interest Rate - The interest rate shall be set by the WCEDC Loan Fund Committee.

Term - Terms of the loan shall be set by the WCEDC Loan Fund Committee. Loan terms may include longer amortization schedules with balloon payments. In any case, the loan shall not have a term longer than the terms of the other financing in the project and/or the life expectancy of the fixed assets being pledged as collateral.

Collateral - Reasonable security will be required for 100 percent (100%) of the loan. Collateral may consist of: (1) a first or second lien on all assets to be purchased with loan proceeds, (2) a lien on all other assets owned by and used in the business, (3) personal assets and guarantees and/or, (4) the full faith and credit of the business.

Collateral Subordination: The RLF is willing to take a subordinate position if it is justified in the loan proposal.

Repayment - Payment of interest and/or principal may be deferred if justified in the loan application. The amount of time for deferred payments will be determined by the WCEDC Loan Fund Committee. Interest shall accrue during the deferment period and shall be added to the principal amount of the loan. Thereafter, interest and principal shall be collected for the remaining term of the loan to maturity. A repayment schedule shall be set up for equal monthly payments of principal and interest. A copy of the repayment schedule shall be provided to each recipient by the Executive Director. Payments will be set up as automatic withdrawals from the borrower's checking or savings account.

APPLICATION

Applications may be submitted at any time and will be processed in the order received. An **Application Package** will include the following items:

Application Form - Information on the project and documentation of need.

Information on Principles - Resumes and personal financial statements for all principal owners (of at least 20 percent).

Financial History - Profit and Loss Statements and Balance Sheets for the preceding three-year period (and interim periods, as necessary).

Financial Projections - Provide balance sheets, income statements and cash flow statements to clearly show the requested loan is necessary to make the project work. These should cover a three-year period and should be based on the assumption that the business will receive the requested loan. Financial projections shall be prepared preferably by an independent accountant.

Business Description – A written description of the business, including the following:

(a) A brief history of the existing or proposed business, including when it started or is to start, type of operation, legal structure, markets and products.

(b) Key customers and clients.

Commitments from Private Sources

-There shall be documentation of commitments from all private and/or public lenders making loans to the project. Documentation shall include loan conditions and terms (amount, interest rate, term and security required).

Additional Information - Additional information as may be required by the WCEDC Loan Fund Committee or Executive Director.

REVIEW PROCESS

The review of loan applications will include the following:

Preliminary Review - The Executive Director will review the application for completeness and verify that the proposed project meets the minimum requirements

provided in Section 3. If the application is not complete, the Executive Director shall inform the applicant of the deficiencies.

Formal Review - The WCEDC Loan Fund Committee will meet in person, online or via telephone to formally review the application within 30 days of receipt of a completed application. The WCEDC Loan Fund Committee may approve, reject, or request additional information about the application.

Notice of Award - Upon acceptance by the WCEDC Loan Fund Committee, the Executive Director shall contact the business to review and explain the terms of the loan. A loan closing shall be arranged to execute the necessary loan documents.

Rejection of Award - If the application is not approved; the Executive Director shall contact the applicant stating the reasons for rejection and offer to meet with the applicant to explore ways to strengthen the loan request or to identify alternative funding sources.

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**WCEDC REVOLVING
LOAN FUND**

**A BUSINESS
LOAN PROGRAM**

DESIGNED TO FACILITATE:

- To maintain and promote a diverse mix of employment opportunities
- To encourage the creation and retention of permanent jobs
- To maintain a positive business climate for expansion of existing business, while helping to attract new businesses
- To encourage the leveraging of new public and private investment
- To promote entrepreneurship and business start-ups
- To encourage the deployment of modern technology, as well as safe work environments