

# **ROCKINGHAM REVOLVING LOAN FUND**

## **POLICIES AND PROCEDURES**

The Town of Rockingham Revolving Loan Fund (RLF) is a source of capital that can assist both start-up and expanding existing businesses. This program is not intended to substitute for the activities of existing financial institutions. The RLF funds shall be made available to applicants who meet program eligibility and lending requirements criteria on a first come, first serve basis. Commitment of loan and disbursement of funds shall be contingent on the availability of funds in the RLF. Final decision is made by the Rockingham Selectboard.

### **REVOLVING LOAN FUND COMMITTEE**

The Selectboard will establish a committee to review applications and make recommendations to the full Selectboard. The RLF Committee will also periodically review the policies and procedures and make recommendations for changes to the Selectboard.

The committee shall be composed of five (5) members with a town staff member for the committee appointed by the Selectboard. There shall be one representative of the financial industry, two from the community, and two at-large members, one of which shall be from the Selectboard. Each member will be appointed for a period of one year. Vacancies will be advertised, applicants interviewed and appointments made by the Selectboard.

The committee members shall elect a chairperson and recording clerk.

### **GENERAL POLICIES**

- The finance office/town manager shall provide a report of the financial status of the Loan Fund to the Selectboard annually for their review.
- The annual report shall be included in the annual Town Report that will include:
  - The number of loans opened during the year
  - The number of loans closed during the year
  - The number of active loans
  - The interest realized from repayment
  - The amount loaned during the year
  - The amount of outstanding loans
  - The balance in the account
  - The types of businesses that were participants over the year
  - An accounting of any other monies spent from the fund

## **GOALS OF THE FUND**

- To provide capital assistance to existing businesses, develop new businesses, and attract businesses to the Town.
- To provide loan capital to commercial and industrial businesses in order to retain or expand existing levels of employment.
- To provide access to loan capital for the purchasing, construction, rehabilitation or renovation of commercial/industrial facilities.
- To provide financial assistance in the purchasing of commercial/industrial sites at attractive rates.
- Disadvantaged Business Enterprises (DBE's) are encouraged to apply.
- To facilitate and encourage new and additional private investment in the Town.
- To create quality jobs.

## **TYPES OF LOANS**

Qualified applicants have access to loans of \$5,000.00 to \$50,000.00. No loans will be issued/approved under \$5,000.00.

## **ELIGIBILITY REQUIREMENTS**

- The loan applicant shall be either the owner(s) of the business or the principal developer.
- Ownership of the business must be documented by applicable legal and tax documentation.
- Applicant(s) shall provide an acceptable business plan.
- The business must be located or have a committed site in Rockingham.
- The applicant shall provide evidence that personal, real estate taxes, and/or utilities fees on any property owned by a principal or corporate interest involved in the application project are current or that a payment plan is in place and current.
- The business must be in compliance with all applicable state and local ordinances, and have or have applied for the appropriate permits.
- The applicant shall provide any requested documents including a completed application form along with any required supporting documentation, a project budget, monthly cash flow projection, and personal financial statement.
- The applicant(s) must appear before the RLF Committee for the initial application process.

## **INELIGIBLE ACTIVITIES**

- The RLF is not a loan program of last resort.
- To replace private-sector capital lending, investment, or to eliminate private lender risk.
- To refinance existing private sector loans.

- Town/Village employees, elected/appointed officials, or their relatives as defined in the Town Conflict of Interest Policy.


**PROCEDURES**


- An interested applicant will first contact the Town office.
- The Town office/manager will notify the RLF committee chairperson, and will provide the applicant with the appropriate application form.
- Upon completion of the application form and providing the required documentation, the Town office/manager will notify the committee chairperson to convene a meeting with the applicant. Chairperson shall set a time and date for the meeting and shall contact committee members as to their availability for the meeting.
- The RLF committee shall review the information provided by the applicant and interview the applicant.
- The RLF committee will excuse the applicant and discuss the application. A decision of the amount and terms of the loan will be voted and approved by the committee for recommendation to the Selectboard.
- No changes to the amount or terms shall be made without a consensus or vote of the RLF committee once a recommendation has been made and approved by the committee.

**FACTORS TO CONSIDER**

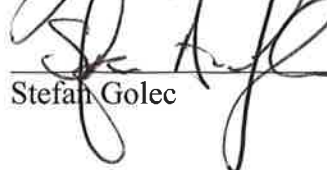
- Other monies that will be leveraged into the community by the commitment of these funds
- The uniqueness of the project
- The impact of the project relative to the amount of the loan
- The long term interests of the Town
- The length of the loan

Adopted June 7, 2016, Town of Rockingham Selectboard.

  
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 Lamont Barnett, Chairman

  
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 Josh Hearne, Vice Chair

  
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 Ann DiBernardo

  
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 Stefan Golec

  
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