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# *Revolving Loan Fund*

## Plan

*and*

## Application Form

2013

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## **SECTION 1: GENERAL PROVISIONS**

### **1.1 PURPOSE**

The purpose of the policies and procedures contained within this manual is to present the criteria which govern the economic development activities assisted with funds made available through the Village of Menomonee Falls Revolving Loan Fund (RLF) program.

### **1.2 OBJECTIVES**

Economic development activities funded through the RLF program are intended to meet the following objectives:

- 1) To encourage the creation and retention of permanent jobs which provide a wage appropriate to the skills and experience of the local labor force. A minimum of 51 percent of the jobs created and/or retained shall be made available to low- and moderate-income persons.
- 2) To encourage the leveraging of new private investment in the Village in the form of fixed asset and working capital investments.
- 3) To perpetuate a positive and proactive business climate that encourages the retention and expansion of existing businesses and helps to attract desirable new businesses.
- 4) To lend monies at interest rates and loan maturities that encourages business development, while providing for the recapitalization and growth of the RLF.

### **1.3 AMENDMENTS**

The Village may from time to time amend the policies and procedures contained within this RLF manual and such amendments are subject to proper written approval by the Wisconsin Economic Development Corporation.

## **SECTION 2: ADMINISTRATION**

### **2.1 LOAN REVIEW COMMITTEE**

- 1) The Village of Menomonee Falls Board of Trustees has designated the Village of Menomonee Falls Community Development Authority (CDA) as responsible for the review of all RLF requests. Funding decisions relative to RLF loans shall be made by the Village Board upon a recommendation by the CDA.
- 2) The CDA and the Village Board shall have the authority to make policy recommendations for the administration of the RLF program. Periodic activity reports will be provided to the Village Board.
- 3) The Village Director of Community Development, or designee, (hereinafter "Village staff") shall be responsible for the day-to-day administration of the RLF program. Village staff are responsible for explaining the RLF program to prospective applicants, providing written information, assisting applicants in completing applications, processing requests for financing, and, where necessary and appropriate, counseling and guiding loan applicants to other more appropriate technical and financial resources when the loan applicant has needs that cannot be met through the RLF program.
- 4) Village staff shall periodically review financial statements and loan amortization schedules for RLF loan recipients, review and approve documentation of business expenditures financed with RLF proceeds maintain RLF accounting records that are segregated from other Village accounts, and report as required to the Wisconsin Economic Development Corporation regarding the use of the RLF funds. Village staff are responsible for the maintenance of all records for the local RLF.
- 5) The Village Attorney, or designee, shall prepare all loan agreements, review all promissory notes and mortgage or lien instruments, record RLF security instruments, and counsel Village staff on default matters.

### **2.2 MEETINGS**

Loan review meetings shall be held by the CDA on an as-needed basis. Pursuant to Section 19.84, Wisconsin Statutes, all members shall be given prior notice of each meeting. A majority of the CDA in attendance at a meeting constituting a quorum shall be required for official committee action.

### **2.3 RECORDS**

Written records shall be maintained in appropriate files located in a secure place with limited access by authorized personnel. The Village Attorney, or designee, shall be consulted with regard to compliance with State and municipal open records laws.

### **2.4 LOAN FEES**

On an annual basis, up to 15 percent of the RLF program income will be made available for personnel costs and other RLF administrative expenses incurred in the maintenance of the RLF program. In addition, the following fees shall be assessed to all loan recipients:

- 1) **Loan Application Fee:** The Village shall require a loan application fee in an amount sufficient to reimburse the Village for administrative expenses incurred in the processing of RLF loan applications, not to exceed \$800 per loan. All loan application fees shall be identified as CDBG program income and deposited in the RLF account prior to being used to finance administrative costs associated with the program.

2) Loan Origination Fees: The Village shall require all loan recipients to pay a loan origination fee of \$500 or 1 percent of the RLF loan amount, whichever is greater. In addition, the Village shall require all loan recipients to pay legal fees and costs incurred by the Village for the RLF loan closing according to the following schedule:

- a) For loans of \$100,000 or more, the fee shall be \$1,000.
- b) For loans of less than \$100,000, the fee shall be \$1,000 multiplied by the percentage derived by dividing the loan amount by \$100,000.

Loan origination fees may be added to the principal amount of the loan and paid with RLF funds, and shall be identified as CDBG program income and deposited in the RLF account. These funds will then be used to pay for administrative costs associated with the RLF program.

## **SECTION 3: ELIGIBILITY CONSIDERATIONS**

### **3.1 ELIGIBLE AREA**

The area served by the RLF program shall be within the corporate limits of the Village of Menomonee Falls.

### **3.2 ELIGIBLE APPLICANTS**

- 1) Applications may be submitted by the authorized representatives of any business wishing to establish a new operation or expand an existing operation in the Village.
- 2) No member of the Village Board of Trustees; the CDA; or any other official, employee, or agent of the Village who exercises decision-making functions or responsibilities in connection with the implementation of the RLF program is eligible for financial assistance under this program. In addition, no RLF loans shall be made which are in conflict with Section 946.13 of the Wisconsin Statutes (Private Interest in Public Contract Prohibited).
- 3) Applicants shall not be disqualified based on age, race, religion, color, handicap, sex, physical condition, development disability as defined in s. 51.01(5), sexual orientation or national origin.

### **3.3 ENELIGIBLE APPLICANTS**

RLF loans shall not be available for the following businesses: 1) speculative investment companies; 2) real estate investment companies; 3) lending institutions; 4) gambling operations; 5) non-public recreation facilities; and 6) other businesses not serving the interests of the Village.

### **3.4 ELIGIBLE ACTIVITIES**

RLF loans shall be provided to eligible applicants for the following activities:

- 1) The acquisition of land, buildings, and/or fixed or major movable equipment.
- 2) Site preparation, the construction and/or reconstruction of buildings, the rehabilitation of buildings including leasehold improvements, and/or the installation of fixed equipment.
- 3) Clearance, demolition, and/or the removal of structures.
- 4) Working capital.
- 5) Buyouts by purchase of assets or stock.

### **3.5 INELIGIBLE ACTIVITIES**

RLF loans shall not be available for the following activities:

- 1) Refinancing or consolidating existing debt.
- 2) Reimbursement for expenditures prior to loan approval.
- 3) Specialized equipment that is not essential to the business operation.
- 4) Residential building construction and/or reconstruction (unless such reconstruction is intended to convert the building to a business use).
- 5) Routine maintenance.

- 6) Professional services such as feasibility and marketing studies, accounting, management services, and other similar services.
- 7) Other activities that the Village may identify as inappropriate for the RLF program.

### 3.6 MINIMUM REQUIREMENTS

To be eligible for funding, a proposed project shall meet all of the following minimum requirements:

- 1) Private Funds Leveraged. One dollar of private sector investment shall be provided for each dollar of RLF investment. Private sector investment is defined as financing from a private lending institution, public sector business loan programs other than the CDBG program, or new equity that is injected into the business as a part of the expansion project.
- 2) Cost Per Job. A minimum of one full-time equivalent (FTE) job shall be created and/or retained for each \$20,000 of RLF funds requested.
- 3) Financial Feasibility and Business Viability. The applicant shall demonstrate that the proposed project is viable and that the business has the economic ability to repay the funds.
- 4) Low and Moderate Income (LMI) Benefits. Each project must demonstrate that it meets the CDBG-ED national objective of benefiting low to moderate income persons as defined by CDBG regulations.

The project shall create jobs, at least 51% of the jobs will be held by or Made Available to LMI Persons.

“LMI Persons” means persons with household income less than eighty (80) percent of the median household income by family size in the County where the Project is located as defined by the income limits provided by United States Department of Housing and Urban Development (see Attachment A).

“Made Available to LMI Persons” means the Borrower will document that at least 51% LMI Persons were hired or Received First Consideration by interviewing at least 51% LMI Persons for created positions that do not require special skills or education beyond high school.

“Received First Consideration” means the Borrower must document and use a hiring practice that results in at least 51% LMI Persons interviewed for created positions and demonstrate that under usual circumstances this hiring practice will result in at least 51% LMI persons being hired. Part of the Borrower’s hiring practice must include the posting of available positions with the local Job Service Office or Workforce Development Boards.

The following documentation evidencing compliance must be collected:

A listing of all job titles which were planned to be held by or made available to low to moderate income persons, a commitment to hire or make at least 51% of jobs available to low to moderate income persons, a written plan for how such persons were given first consideration for jobs including what hiring process was used, a list of the low to moderate income persons interviewed for particular positions, including the size and annual income of the person’s family prior to interviewing for the position.

- 5) Compliance with Applicable Laws. Applicants shall comply with all applicable local, State, and Federal laws and codes.



- 6) Project Completion. All projects shall be completed within 24 months from the date of the loan approval. Applicants shall provide the Community a project implementation schedule not exceeding 24 months for project completion and job creation, and maintain the positions created for 24 months.
- 7) Federal Anti-Piracy. The borrower must certify that it does not have immediate plans to relocate jobs in violation of CDBG Anti-Piracy regulations. The following language will be included in all agreements with the borrower. "The Borrower certifies it is and will maintain compliance with CDBG Anti-Piracy regulations as stated in 24 CFR 570.482(h). Violations of this regulation will constitute an Event of Default."

## SECTION 4: TERMS AND CONDITIONS

### 4.1 TERMS AND CONDITIONS

Loan terms and conditions shall be structured on the basis of need and ability to repay. Minimum standards include the following:

- 1) Loan Amount. The amount of funds available for any single business enterprise shall range from a minimum of \$5,000 to a maximum of \$100,000. Requests for loan amounts in excess of \$100,000 will be negotiated on a case-by-case basis.
- 2) Interest Rate. The interest rate on each loan shall be determined on a case-by-case basis by the CDA, and shall range from a minimum of 50% of the prime rate of interest to a maximum of the prime rate of interest plus 200 basis points—as published in the Midwest Edition of the Wall Street Journal. The interest rate shall be fixed for the term of the RLF loan.
- 3) Loan Term. Standard terms for RLF loans shall be as follows: a) machinery, equipment, and fixtures—2 to 10 years; b) buildings and land—5 to 10 years; and c) working capital—1 to 7 years. Amortization periods that exceed the loan term may be provided where appropriate.

The specific term and amortization period for an individual borrower shall be based on the useful life of the asset, as well as the terms offered by the private sector financial institution participating in the project. The Village retains the right to adjust individual loan terms in order to facilitate a successful RLF project.

- 4) Repayment. Deferral of principal payments may be provided for a maximum period of one year from the date of the first disbursement of RLF funds. Interest only payments during this period shall be required.
- 5) Prepayment. There are no prepayment penalties.
- 6) Collateral. Collateral requirements shall be determined on an individual basis by the CDA and may include: mortgages on land and buildings; liens on fixed and major movable equipment; liens on accounts receivable and inventory; liens on the corporate assets of affiliated businesses, when appropriate; and key-person life insurance coverage naming the Village as a beneficiary, with a declining balance equal to the outstanding loan balance, when appropriate. This collateral may be subordinated to private sector financial institutions participating in the RLF project, if required.

Unlimited personal guarantees from the principals of the business who have 20 percent ownership or more shall be required. Limited personal guarantees for the owners of the business who have less than 20 percent ownership may be required, where appropriate. In addition, junior mortgages on personal residences may be required on projects with limited collateral.

- 7) Insurance Requirements. Businesses receiving loans for fixed assets shall be required to obtain property-casualty insurance for the appraised value of the property being financed, businesses receiving construction loans shall be required to have builder's risk insurance for the amount of the debt financing attendant to the project, and businesses purchasing real estate shall be required to have title insurance for the amount of RLF real estate financing attendant to the project. The Village shall be listed as an additional insured on all property-casualty and builder's risk insurance policies.
- 8) Equity Requirements. The RLF program may require an equity injection for each RLF loan, when appropriate. Consideration will be given for individuals that have made substantial equity commitments to the applicant business, as well as to individuals who do not have sufficient financial resources to contribute to the RLF project.

## **SECTION 5: APPLICATION PROCEDURES**

### **5.1 INITIAL CONTACT**

Prior to submitting an application, all RLF applicants must discuss the program with Village staff, which will provide assistance, as is reasonably necessary, in completing an RLF application. All financial information shall be kept in a secured place with limited access by authorized personnel only, subject to the State and municipal open records laws.

### **5.2 TIMING**

Applications may be submitted at any time during the calendar year.

### **5.3 PRIORITY**

Applications shall be reviewed in the order received and based on readiness for the proposed project to proceed. In those instances where the number of requests for RLF funds exceeds available funding, RLF applications shall be prioritized based upon the date of receipt of all requested application materials, the number of jobs to be created and/or retained, and the amount of private sector leverage that is included in the project. When feasible, the amount of funds contributed to each project will be reduced in order to facilitate as many loan requests as possible.

### **5.4 LOAN APPLICATION**

Applicants shall submit an application using forms available from Village staff that includes the following:

- 1) A completed RLF application (see Attachment B).
- 2) A written business plan that includes 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, management, markets, and products.
  - b) A marketing plan, including a list of key customers and clients.
  - c) A personal resume for each principal associated with the business, including: number of years of experience in the business; educational background; and role in the proposed or existing business.
  - d) Financial statements for the past three years and a current interim financial statement, including balance sheets and income statements that are compiled by an independent accountant in accordance with generally accepted accounting principles, including all footnote disclosures.
  - e) Aging of accounts receivable and accounts payable corresponding with latest available financial statements.
- 3) A description of how the business plans to use the requested funds.
- 4) Letters of commitment from all financial institutions or other sources of funds for the debt financing that are included in the project. These commitments shall be obtained prior to, or concurrently with, the approval of the RLF loan by the Village Board.
- 5) Financial projections for the first three years of the project, including balance sheets and income statements that are generally accepted accounting principles and include a discussion of all

significant assumptions. In addition, start-up businesses shall provide quarterly financial projections for the first two years of the project.

- 6) Personal financial statements for the principals of the business.
- 7) Cost estimates for all capital equipment purchases, land and building acquisition, and building construction and renovation.
- 8) A lease or pre-lease agreement for rental property or an offer to purchase for real estate that is included in the project.
- 9) Documentation that the project is in compliance with local and State building codes and zoning regulations and other applicable local and State ordinances.
- 10) Other documentation that may be required to support the RLF project.

## **5.5 REVIEW PROCESS**

Specific steps in the review process include the following:

- 1) Preliminary Review. Village staff shall review the application for completeness and verify that the proposed project meets the minimum requirements provided in Section 3.6. If the application is not complete, Village staff will inform the applicant of the deficiencies.
- 2) Formal Review. The CDA shall meet to review an application within 30 days of the receipt of a completed application. Once the review is completed and the proposal is acceptable for funding, the CDA shall forward the request to the Village Board with its approval recommendation.
- 3) Negotiation of Terms. Upon acceptance by the Village Board, Village staff shall contact the business to review and explain the terms of the loan.
- 4) Notice of Award. If the application is approved, a closing shall be scheduled to execute the necessary loan documents.
- 5) Rejection of Award. If the application is not approved, Village staff shall notify the applicant in writing of 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.

## SECTION 6: DISTRIBUTION OF FUNDS

### 6.1 LOAN PROCEDURES

Prior to releasing funds, the following documentation shall be in place or provided at the appropriate time during the term of the loan.

- 1) Loan approval. The Village Board shall review and approve a complete application for each eligible applicant.
- 2) Loan Agreement. The Village Attorney, or designee, shall prepare a loan agreement which shall be executed by the Village President and Village Clerk, as well as the authorized representatives of the business.
- 3) Promissory Note. A promissory note shall be prepared by the Village Attorney, or designee, and signed by the authorized representatives of the business at the time of loan closing. The note shall be dated, reference the agreement between the Village and the business, and specify the amount and terms of the loan funds to be delivered.
- 4) Security. Mortgage and/or lien instruments and personal guarantees provided as security for all loans shall be prepared by the Village Attorney, or designee, and executed at the time of the loan closing. The Village Attorney, or designee, shall record all security instruments and place copies in the project file, as applicable to include: a) mortgage and/or security agreement; b) UCC searches and filing; c) guarantee agreement; d) title insurance commitment and policy; 3) assignment of life insurance; f) property-casualty insurance binder; g) personal guarantee; and h) other documentation as may be appropriate.
- 5) Amortization Schedule. An amortization schedule shall be prepared by Village staff and forwarded to the loan recipient after all loan proceeds are fully disbursed.
- 6) Evidence of Program Expenditures. Documentation shall be provided by the applicant to evidence RLF program expenditures prior to the release of funds. Documentation includes invoices or receipts for materials and supplies, final bills of sale, letters from lenders, and/or canceled checks. All documentation shall be reviewed and approved by Village staff. Village staff shall also verify the installation of all fixed equipment.
- 7) Other Documentation. Documentation shall be provided by the applicant to evidence that all required permits, licenses, and registrations have been obtained prior to the release of RLF funds. As appropriate or necessary, the borrower may also be asked to provide the following documentation: a) a certificate of good standing from the Secretary of State; b) articles of incorporation and by-laws; c) a resolution or agreement to borrow funds; d) current financial statements; 3) evidence of having secured other funds necessary for the project; and f) an environmental analysis for real estate loans, if justified.

## **SECTION 7: POST APPROVAL REQUIREMENTS**

### **7.1 OBLIGATION OF LOAN RECIPIENT**

In addition to the terms and conditions of the loan, all borrowers shall agree to comply with the following:

- 1) The creation and/or retention of the agreed upon number of jobs within 24 months of the date of the execution of the loan agreement with the Village. All jobs created and/or retained shall be maintained for a minimum of 12 months.
- 2) Not to discriminate on the basis of age, race, religion, color, handicap, sex, physical condition, development disability as defined in s. 51.01(5), sexual orientation, or national origin in any employment or construction activity related to the use of RLF monies.
- 3) To use RLF monies only to pay the cost of services and materials necessary to complete the RLF project or activity.
- 4) To permit inspections by persons authorized by the Village of all projects and properties assisted with loan funds. Related project materials shall also be open to inspections which include, but may not be limited to, contracts materials, equipment, payrolls, and conditions of employment. Requests for inspection shall be complied with by the borrower.
- 5) To maintain project records that are necessary for the Village to determine if the performance of the business complies with the terms of the loan agreement. Files shall be maintained as long as the loan is active or for at least three years after completion of the work for which the loan has been obtained, whichever is longer.
- 6) To submit the following documentation during the outstanding term of the RLF loan: a) quarterly financial statements verified by the borrower within 45 days of the end of each calendar quarter; b) annual financial statements compiled by an independent accountant in accordance with generally accepted accounting principles within 120 days of the end of each fiscal year; c) signed copies of corporate Federal income tax returns within 30 days following their due dates; and d) annual progress reports.
- 7) To maintain property-casualty insurance for the property financed with RLF monies for the term of the RLF loan. The Village shall be listed as an additional insured on the policy. In addition, key-person life insurance coverage naming the Village as a beneficiary, with a declining balance equal to the outstanding loan balance may be used where appropriate.
- 8) To abide by all Federal laws, when applicable. These include, but may not be limited to: the Civil Rights Act of 1964, the Age Discrimination Act of 1975; the Davis-Bacon Act, as amended; the Contract Work Hours and Safety Standards Act; the Copeland "Anti-Kickback" Act; and, all regulations pursuant to these Acts.

## **SECTION 8: PERFORMANCE MONITORING**

### **8.1 PRIVATE LEVERAGE COMMITMENTS**

Village staff shall monitor the use of the funds and expenditure of private leverage commitments. Documentation shall include invoices or receipts for materials and supplies, letters from lenders, final bills of sale, and/or canceled checks.

### **8.2 JOB CREATION AND RETENTION**

Village staff shall monitor the borrower's progress in meeting agreed upon job creation and/or retention goals. Job creation shall be documented using before- and after-project payroll records.

For each job that is not created and/or retained and for each LMI job that is not created and/or retained during the required time period, the following penalties shall apply: a) for each FTE job that is not created and/or retained for a minimum of 12 months, the loan recipient shall be assessed a penalty of \$1,000 per job. In no event shall the loan recipient be assessed a penalty under both (a) and (b) above for the same job which it has failed to create and/or retain. Job penalties may be paid in one lump sum or added to the principal of the RLF loan and amortized over the loan term.

### **8.3 DEFAULT**

In the event the business is in default on any of the terms and conditions of the loan agreement, the promissory note, or any other loan document, other than the failure to make a payment of principal or interest when due and owing to the Village, including the full unpaid principal balance and all unpaid accrued interest, shall, at the option of the Village, become immediately due and payable. To exercise this option, Village staff shall provide a written notice to the business that specifies the following: a) the default; b) the action required to cure the default; and c) a date, not less than 60 days from the date of the notice, by which the default shall be cured to avoid foreclosure or other collective action.

If the borrower fails to make any payment of principal or interest when due under the promissory note, and the default continues for 30 days, all sums due and owing to the Village, including the full unpaid principal balance and all unpaid accrued interest shall, at the option of the Village, become immediately due and payable, without notice or demand. The failure to create or retain the agreed upon number of jobs is not a default, but is subject to the provisions of Section 8.2 hereof.

In the event of the occurrence of a default, other than a default under Section 8.2 hereof, and the Village exercises its option to accelerate the promissory note, then interest after the date of default shall be computed at a market rate to be established at the time of the loan agreement is executed.

## **SECTION 9: USE OF LOAN REPAYMENTS AND REPORTING**

### **9.1 RLF PROGRAM**

Repaid RLF monies shall be deposited in the RLF account and used in a manner consistent with the RLF manual. A separate record for each loan shall be kept to account for all funds loaned. The RLF account shall be audited on an annual basis and Village staff shall provide progress reports as required to the Wisconsin Economic Development Corporation (WEDC) regarding the use of RLF program income. Reports shall be submitted on forms prescribed by the WEDC.



## SECTION 10: LOAN SERVICING

### 10.1 MONITORING

Village staff shall monitor each loan to ensure compliance with the loan terms and conditions and to monitor the financial health of the business to ensure continued repayment of the loan. The monitoring shall also ensure that all record-keeping requirements are met particularly with regard to job creation the expenditure of matching funds.

### 10.2 RECORD-KEEPING

A loan servicing file shall be established and maintained for each loan recipient that includes the following:

- 1) Loan Application File. The loan application file shall include a copy of the RLF application, business financial statements, personal financial statements, business plan documents, and other supporting loan information submitted to the Village, including all applicable correspondence. In addition, the file shall contain a copy of the loan application summary with recommended actions regarding the application, and a copy of the minutes for the public meetings held to take action on the loan request.
- 2) Loan Closing File. The loan closing file shall include all loan closing documents, including the note and other security instruments; closing statement; title insurance commitment and policy, if applicable; certificates of insurance for builder's risk, property-casualty, and life insurance, as applicable; and documentation for job creation and retention including LMI certifications forms. This file shall be placed in a locked, fireproof vault. Village staff shall be involved in helping create and complete this file to ensure complete loan documentation. Copies of the loan closing documents and an amortization schedule shall be provided to the loan recipient.
- 3) Financial Management File. RLF financial management records shall be maintained that include the following registers:
  - a) RLF Register: A record of all deposits and disbursements to and from the RLF, including funds used for RLF administration.
  - b) CDBG Loan Repayment Register: A record of all repayments made by each business that has received a loan from the CDBG program, as well as the balance of repayments from all CDBG loans.
  - c) RLF Loan Repayment Register: A record of all repayments made by each business that has received a loan from the RLF, as well as the balance of repayments from all RLF loans.
  - d) Collection Register: A register for each loan that contains the business name, loan date, loan amount, terms and date repayment begins.
- 4) "Tickler File" System. A tickler file system shall be established and maintained to ensure that loan repayments, financial information, the loan agreement, UCC updates, and other documentation requirements are tracked and obtained as required. The system will include the following monthly-coded index files:
  - a) Expiration dates for property-casualty and/or life insurance policies;
  - b) Due dates for all financial statements;
  - c) Expiration dates for UCC Financing Statements, the reminder to update being at least 45 days prior to the expiration of the UCC filing on hand;

- d) Scheduled dates of annual loan performance and covenant reviews;
  - e) Dates for site visits;
  - f) Due dates for property tax payments and dates by which the community expects to hear from the borrower regarding confirmation of payment of taxes;
  - g) Review dates for job monitoring; and
  - h) Dates on which loan recipients will be notified of scheduled changes in the loan amortization scheduled per loan agreements.
- 5) Financial Statement File. The financial statement file shall include the business' periodic financial statements as required by the loan covenants with a statement indicating that Village staff reviewed the data.
  - 6) Progress Report File. During the outstanding term of the RLF loan, loan recipients shall be required to submit annual progress reports, including quarterly and annual financial statements that will be stored in this file (see Attachment C).
  - 7) Field Visit File. Village staff shall make periodic field visits to verify information in the progress report and financial statements. A summary of each site visit will be placed in the permanent file, including any information that can assist in rating the overall condition/risk of the loan (see Attachment C).
  - 8) Repayment Monitoring File. The repayment-monitoring file shall include the loan amortization schedule and status of payments on the RLF loan. Observation regarding concerns or problems shall be reported to the Village and notations placed in the tickler file to remind Village staff of the need to provide continued monitoring.
  - 9) Loan Review File. All loans shall be reviewed on an annual basis, and at such other times as may be deemed necessary by the Village. The review shall follow receipt of the fiscal year-end financial statements, the year-end progress reports, and site visits. A report on the loan review will be placed in the file and address the following: timeliness of monthly payments; condition of collateral securing the loan and status of security documents; overall financial condition of the business; the presence of material liens or lawsuits; and violations of loan covenants and suggested corrective actions.

If the business is experiencing problems, Village staff shall work with the loan recipient to identify actions that are needed to correct the identified deficiencies, including possible restructuring of the loan to improve cash flow within the business. Restructuring can also include deferring principal and interest payments, adjusting the rate of interest, and/or providing additional working capital. If appropriate, Village staff shall arrange for business assistance, including services available through the University of Wisconsin-Extension, Small Business Development Center (SBDC), the Service Corp of Retired Executives (SCORE), and/or other entities having an interest in serving the needs of businesses.

# Attachment A

**Village of Menomonee Falls Revolving Loan Fund**  
**2013 Low- and Moderate-Income Limits**  
(Effective Date is December 11, 2012)

Household Size	Household Income
1 Person	\$39,350
2 Persons	\$44,950
3 Persons	\$50,550
4 Persons	\$56,150
5 Persons	\$60,650
6 Persons	\$65,150
7 Persons	\$69,650
8 Persons or More	\$74,150

Note: This schedule is updated annually.

Source: U.S. Department of Housing and Urban Development

# Attachment B

## VILLAGE OF MENOMONEE FALLS, WISCONSIN Revolving Loan Fund Application

1. Business Name: \_\_\_\_\_

2. Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone Number: \_\_\_\_\_  
\_\_\_\_\_

3. Brief Project Description: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### 4. Sources and Uses of Funds

		RLF Financing	Debt Financing	Equity Financing	Total
a)	Land Purchase	\$	\$	\$	\$
b)	Building Purchase	\$	\$	\$	\$
c)	Building Construction	\$	\$	\$	\$
d)	Building Renovation	\$	\$	\$	\$
e)	Machinery & Equipment	\$	\$	\$	\$
f)	Working Capital	\$	\$	\$	\$
	TOTAL PROJECT COSTS	\$	\$	\$	\$

### 5. RLF Assistance Requested

a)	Loan Amount	\$
b)	Interest Rate (percent)	
c)	Loan Term (years)	
d)	Deferral of principal & interest (months)	

6. Source of Private Debt Financing

Name:

\_\_\_\_\_

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact Person:

Telephone Number:

\_\_\_\_\_  
\_\_\_\_\_

7. Job Creation and Retention

	New Jobs		Retained Jobs	
	Number	Pay Range	Number	Pay Range
Full-Time Jobs		\$		\$
Part-Time Jobs		\$		\$
TOTAL JOBS				

8. Date Project Will Begin:

\_\_\_\_\_

I hereby certify that the information provided above and in the attached supporting documentation is to the best of my knowledge true and correct.

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

Submit the RLF application and supporting documentation to:

Matt Dorner  
Village of Menomonee Falls  
W156 N8480 Pilgrim Road  
Menomonee Falls, WI 53051

For additional information about the Village of Menomonee Falls RLF program, please contact Matt Dorner in the Village of Menomonee Falls Department of Community Development at (262) 532-4277.