

## HOW DO I APPLY?

Applications may be submitted at any time. In order to insure that applicants do not waste time, a Pre-Application shall be submitted to the Loan Committee. If approval is given by the Loan Committee, an Application Form and assistance will be provided. All financial information will be kept confidential. Criteria used in the event that funds are limited will be shared with the applicant. The loan package consists of:

- ☑ Application
- ☑ Business Description (Business Plan) including: history, key customers and clients, three years' financial history, one-three years' projections and other information as requested.
- ☑ Project Description
- ☑ Documentation of Need
- ☑ Commitment Letter from Private Lender

## HOW LONG DOES IT TAKE TO GET A LOAN?

A loan can usually be made within 60 days of receipt of a complete application.

## HOW ARE LOAN REPAYMENTS HANDLED?

Repayment will normally be in monthly payments of principal and interest. Other terms may be available based upon project purpose and cash flow needs. There is no prepayment penalty.

## WHAT REPORTING REQUIREMENTS ARE INVOLVED?

Colfax Main Street requires annual financial reports. Inspections may also be requested.

## WHAT IS THE COLFAX MAIN STREET RLF LOAN COMMITTEE'S PROCEDURE?

Review and approve Pre-Application Form. Instruct applicant to prepare an Application. When a complete application is received, it proceeds through the following steps:

- ☑ Review by the RLF Coordinator for completeness
- ☑ Review and recommendation by the Loan Committee (meets on call).
- ☑ Loan closing.

## COLFAX MAIN STREET REVOLVING LOAN FUND



## SUBMIT APPLICATIONS TO:

Colfax Main Street  
Attn: RLF Program  
20 West Howard Street, PO Box 62  
Colfax, Iowa, 50054  
Phone: 515.674.4096 Ex.3  
Email: colfaxmainstreet@gmail.com

Located in Colfax City Hall.

# COLFAX MAIN STREET - REVOLVING LOAN FUND

## ABOUT?

Colfax Main Street knows that business is the lifeblood of its economy. Colfax Main Street operates a revolving loan program for local businesses and industries.

Sometimes, businesses can find themselves in unique situations where conventional bank financing is not an option.

The Revolving Loan Fund program provides low-interest loans for proposed projects that will create new jobs or help businesses maintain or expand objectives. The Fund is intended to provide a financial incentive for business and industries to invest in their own growth by providing “leverage”. The funds, therefore, are meant to serve an important, secondary role to the private financing available.

## WHO IS ELIGIBLE?

Any business or industry located in the city of Colfax, including start-ups, or any business or industry moving to the City of Colfax may apply.

## HOW CAN FUNDS BE USED?

Funds may be used for:

- ☑ Acquisition of land, buildings, and equipment
- ☑ Building renovation, rehabilitation or equipment installation
- ☑ Working capital for inventory and direct labor
- ☑ Technical assistance for private business enterprises
- ☑ Refinancing, residential construction, specialized equipment not essential to the operation and routine maintenance generally cannot be financed.

## ARE THERE OTHER REQUIREMENTS?

It is desired, but not required that there be one new or retained job for each \$10,000 of requested assistance. For example, a \$50,000 loan would create five jobs, or proof that five jobs would be lost to the City of Colfax without funding.

The applicant must demonstrate that project funding is not available through conventional underwriting guidelines with a bank.

## HOW MUCH CAN I BORROW, WHAT IS THE INTEREST RATE?

Loan amounts are subject to the availability of funds. The minimum loan is \$2,000. Interest rates vary with the prime rate and are set by the Loan Committee on a quarterly basis. Rates will typically range from 3-5% and typically will not exceed prime rate by more than 2%.

## WHAT LOAN TERMS ARE AVAILABLE?

Loan terms depend on the project being financed. Loans can typically be amortized over the lesser of seven years or the life of the security, but the Loan Committee shall determine an appropriate term for each project.

## COLLATERAL MAY INCLUDE:

- ☑ A first or second lien on assets purchased with the loan.
- ☑ A lien on other business assets.
- ☑ Personal guarantees.