

**Glacier County Regional Port Authority
REVOLVING LOAN FUND & GRANT
POLICIES AND PROCEDURES**

The overall loan program guidelines are on the following pages.

Grant/Loan Parameters

For Profit Business

No more than \$5000.00 may be requested as grant funds

Small Business Loan cannot exceed \$10,000.00

Non-Profit Entities

No more than \$10,000.00 may be requested/granted per project

SECTION 1 **ORGANIZATIONAL STRUCTURE**

Staffing

The Board of Directors of GCPA will have ultimate responsibility for the Loan and Grant Programs and approvals.

Glacier County Regional Port Authority's Executive Director will be responsible for overall supervision of the loan and grant programs, evaluation of contracted services, and monitoring of the program.

The administrator of the loan program shall be Glacier County Regional Port Authority and the Loan Officer will be a contracted service. The Loan Officer will be responsible for assisting with the loan application process, presenting loan packages to the Port Authority, preparing loan documents and security instruments. Based upon loan information, the contracted accounting firm shall assist with amortization schedules. Additional technical assistance shall be coordinated as needed for the applicants and borrowers.

Glacier County Regional Port Authority will perform accounting and collection tasks for the loan programs. Duties will include making deposits and requesting checks for disbursements, collecting and receipting payments, submitting status reports, sending delinquency notices and coordinating with the contracted accounting firm, reconciling drawdowns and accounts.

Loan Review

The Board of Directors of GCPA will conduct the reviews for the Port Authority's Revolving Loan Fund.

The loan review process will consist of:

- client interviews
- technical assistance provided as required
- credit reports and credit checks being performed
- all required documentation received, verified and analyzed
- receipt of a commercial bank commitment to participate as the primary lender

This information will be compiled by the GCPA Executive Director and analyzed by the contracted Loan Officer, resulting in a loan presentation submitted to the Port Authority Board of Directors. The Board will make the final decision as to whether to make the loan or not. Details, provisions, restrictions and covenants will be included with the final decision. The Loan Officer will be responsible for preparing loan documents and security instruments, providing technical assistance to the borrowers, and administering the loan portfolio. The loan officer will monitor the files.

Conflict of Interest

The members of the Board will disclose any personal or financial interest they may have in any loan application. If a conflict of interest is believed to exist, the Board member is required to identify the conflict and to excuse himself/herself from any Board action involving the issue that created the conflict.

Confidentiality

It will be the responsibility of the loan staff will be to protect client confidentiality. This will be achieved by adopting policies that limit access to client information to staff and Board members. Loan packages will be distributed to the Board in advance of meetings, and that information will be treated as confidential. All contracted staff members must sign a confidentiality form under the authorization of GCPA.

When the Board completes its review, all copies of the loan packages and related information will be destroyed. Information regarding the overall performance of the loan portfolio may be released to the public, but only in a general format. Individual loan performance will not be disclosed to the public.

SECTION 2 BORROWER ELIGIBILITY

The following business ownership forms are eligible to apply for loans. This is not an all-encompassing listing; there may be other business ownership forms not listed which are eligible to operate under state law and to apply for loan assistance under the various loan programs. It is the Loan Officer’s responsibility to ensure all applicant firms are eligible to operate under state law.

- (1) Sole proprietorship
- (2) Partnership
- (3) Corporation
- (4) Limited Liability Company

Other Requirements of Eligibility

The applicant must reside or have their principal place of business in Glacier County.
The applicant must be at least 18 years of age and must have a verifiable, permanent address.
The applicant firm does not have to be licensed and/or registered, unless required by law.
The applicant firm can be an existing operation or a new start-up firm, with demonstrated financial skills or education, or the ability to acquire those skills.
See individual loan program guidelines for additional requirements.

SECTION 3 **ELIGIBLE USES OF LOAN PROCEEDS**

A limit of \$10,000 in a Small Business Loan may be requested to assist a For-Profit business. A For-Profit business may apply for a grant not to exceed \$5000.00. The loan interest rate shall be set at 1% over the Prime rate, or at the discretion of the Board. Businesses must use loan proceeds for sound business purposes. The term of the loan shall not exceed 3 years. These can include, but are not limited to, the following:

- (a) **Fixed asset financing.** This can include machinery, equipment, furniture, fixtures, vehicles, etc.
- (b) **Short term asset financing.** Provide working capital financing via short term assets, e.g., accounts receivable, inventory, supplies, raw materials.
- (c) **Debt refinancing.** Refinancing for all or part of a project may be considered if the refinancing has a direct and positive impact on the business. Direct and positive impact is defined as a change in the business cash flow, allowing sources of income to be released from an existing debt expense and applied to the project in some other form of expense, expansion, or business related investment. Projects that seek financing as a replacement for an existing private loan and cannot demonstrate a clear business need and positive economic impact will not be considered.
- (d) **Real estate.** Loan proceeds can be used to acquire land and buildings through purchase or lease. Loan funds can provide improvements to bare land.
- (e) **Other eligible uses as approved by the Board.**
- (f) Not for profit businesses/entities

SECTION 4 **INELIGIBLE USES OF LOAN PROCEEDS**

- (a) Re-lending
- (b) Investment
- (c) Property not intended for use in production of goods or services
- (d) Businesses with gambling as a major source of income
- (e) Gambling equipment
- (f) Test marketing
- (g) Research and Development
- (h) Real estate development
- (i) Multi-level marketing enterprises (pyramid marketing schemes)
- (j) Dilution of the market (competing with existing business in a limited marketplace that would have the potential to put both existing and new business in jeopardy)
- (k) Agriculture production
- (l) Loan proceeds cannot be used to acquire environmentally contaminated property
- (m) Illegal activities
- (n) Acquisition of personal assets
- (o) Any other ineligible use as defined by Glacier County Regional Port Authority's policy requirements

SECTION 5

LOAN APPLICATION REQUIREMENTS

The following constitutes a complete application. No applications will be processed or presented to the Glacier County Regional Port Authority Board until all of the following information relevant to the application is received.

Standard Loan Application

- Loan application (signed and dated)
- Comprehensive Written Business Plan
- Personal Financial Statement (signed and dated)
- Personal Federal Tax Returns (3 years)
- Authorization to Release Information
- Historical Balance Sheets (3 years or life of the business)
- Historical Profit & Loss Statements (3 years or life of the business)
- Business Federal Income Tax Returns (3 years or life of the business)
- Current Business Balance Sheet (within 30 days); (signed and dated)
- Current Business Profit & Loss Statement (within 30 days); (signed and dated)
- Monthly Projected Cash Flow Statement (1 year)
- Projected Income Statements (2 years)
- Credit report (current) will be secured
- Resumes of Key Personnel

Additional Loan Application Requirements (if applicable to the project)

- Vehicle Title(s)
- Guarantors Loan Application
- Appraisal or Valuation of Land and/or Building(s) will be required for land and building(s) offered as collateral and the appraisal of valuation must be less than six months old. This requirement may be waived if the applicant can verify the value of the land and/or the building(s) in some other form acceptable and approved by the Board.
- Lease Agreement(s) will be required for projects leasing property for the business. In addition, copies of lease arrangements are necessary if the applicant is or will be receiving lease income on property involved in the project.
- Buy/Sell Agreement(s) will be required if the project includes the purchase of property, any existing business, or any other fixed asset that may be used as collateral.
- Inventory List, if floor plan financing is involved (list the amount owed on each item).
- Copies of Valid Bids for Construction projects.
- Written Cost Estimates for Machinery, Equipment, Furnishings & Fixtures Purchases
- Commitment letter from Bank or other Lender
- Corporate Documents (By-Laws, Articles of Incorporation, Certificate of Good Standing, etc.)
- Relevant Business Licenses
- Bonding Information
- Verification of Hazard Insurance
- Verification of Life Insurance

Environmental Issues

The Project will be screened relative to environmental concerns. An Environmental Review Form will be executed by the Borrower and signed, which may include a screening for possible hazardous or toxic contamination, a “true-to-the-best-of-my-knowledge” statement, a 100-year flood plain and wetland determination, and an indemnifying/hold harmless agreement for GCPA, as required by the Loan Officer.

The Loan Officer will complete the environmental review/finding. The environmental compliance review and finding will be completed prior to submitting the request to the Board. Outstanding environmental issues must be resolved before any loan funds are advanced, unless the project itself involves mitigation. If necessary, staff will prepare a complete environmental assessment and a record of the assessment will be kept in the project file. If necessary, staff will require that a Phase One Environmental Review be prepared by an independent, certified engineer. The cost of the Phase One will be the responsibility of the Borrower. A permanent record will be kept and maintained in the project file, including pictures, letters from past property owners, and documentation of other relevant determinations.

Discrimination

GCPA’s loan programs are subject without limitation to all civil rights laws prohibiting discrimination on the grounds of race, color, national origin, religion, sex, marital status, disability or age.

Equal Credit Opportunity Act

GCPA will comply with the Equal Credit Opportunity Act. The Act prohibits discrimination against any applicant with respect to any aspect of a credit transaction on the basis of race, color, marital status, sex, religion, national origin, age, receipt of income from any public assistance program, or the fact that the applicant has, in good faith, exercised a right under the Consumer Credit Protection Act or under State law. An indication of gender may be required of the applicant for statistical purposes only.

Upfront Expenses

The Borrower will be responsible for paying for the following expenses before the loan is presented to the Board: Credit Report, Lien Search, Appraisal Fee, Title Search and/or any other costs incurred by GCPA that are required to provide an accurate loan presentation to the Board.

SECTION 6 COLLATERAL

The Glacier County Regional Port Authority Board of Directors will consider the merits and potential economic benefits of each request. The term “Security” refers to collateral. To “secure” a loan will mean to protect the loan with collateral. When appropriate, liens, assignments, and guarantees will be obtained and filed with the appropriate office in accordance with the following principles:

- (a) To encourage the participation of other lenders and investors, GCPA’s lien position may be subordinated to liens that secure other loans made in connection with the project.
- (b) Collateral for working capital loans will normally be liens on inventories, receivables, fixed assets or other available assets of the borrower. Such liens will be subordinated only to existing liens of record.
- (c) When appropriate, mortgage deeds and/or deeds of trust will be obtained and filed with the appropriate office. Title insurance may be obtained if the situation dictates.

- (d) GCPA may require security in the form of assignment of patents, licenses, and other assets with a realizable value.
- (e) Life and/or disability insurance may be required on each owner and/or key person(s) of the business or corporation with 20% or more ownership. Such policies will have GCPA listed as collateral assignee.
- (f) Hazard and/or liability insurance will be required on all businesses and policies will have GCPA listed as loss payee.
- (g) Personal guarantees will be required. Personal guarantees will be for any person owning any portion of a business and who will be listed as a borrower.

If the collateral for the loan is jointly owned, both the parties must execute the loan agreement and loan closing documents.

Lien Searches

A completed lien search must be conducted on each potential piece of collateral. This information will be presented to the Board and will assist in determining GCPA's collateral position. The lien search must be completed no sooner than twenty days before the presentation to the GCPA Board. A second lien search may be completed just prior to loan closing.

SECTION 7 UNDERWRITING CRITERIA AND CREDIT ANALYSIS

The purpose of the underwriting criteria is to achieve the following goals:

- The evaluation provides a basis so those inappropriate loans are not made.
- Structure of the loan meets the borrower's ability to pay (term, rate, and payment structure) and aids in keeping the borrower current once the loan funds have been disbursed.

Applicant Character

The individual/applicant firm must be creditworthy.

A personal financial statement is required as part of the application process. The financial statement information is compared directly to the credit report for accuracy. Any misrepresentation by the applicant is reason for immediate denial of the application. The Loan Officer will obtain a Credit Report. The Credit Report should not be older than 45 days before a Board meeting. The following standards have been established for interpretation of credit reports:

Late payments: The applicant must provide a written statement for the cause of any late payment(s).

Bankruptcy: Applicants must not have declared bankruptcy within the last three years unless such bankruptcy is strictly related to a medical catastrophe or an Act of Nature occurrence beyond the applicant's control, e.g. natural disaster.

Collections: There can be no outstanding collections except those deemed medically related. For any outstanding medical collection, the applicant must have a workout plan completed.

Judgments: There can be no outstanding judgments.

Whenever an adverse credit report is received on an applicant, principal, or other party (such as a spouse or former spouse), the applicant must provide a written narrative describing the circumstances of any adverse credit factors noted and the final outcome.

Strength of the business

GCPA judges the financial strength of a business by analysis of:

- Repayment Ability, including past earnings, projected cash flow, and future prospects
- Sufficient invested equity to operate on a sound financial basis
- Potential for long-term success based on the business plan
- Effect any affiliates may have on the ultimate repayment ability of the applicant
- Liquidity
- Nature and value of collateral
- Competitors in area

SECTION 8 **LOAN REPORT/ANALYSIS**

The Loan Officer's Report to the Board is the end product of the Loan Officer's due diligence efforts in knowing the borrower. The intent is to complete a thorough and accurate summary of the loan applicant for consideration by the GCPA Board. The Loan Officer identifies, quantifies, and assesses the strengths and weaknesses of the applicant. Through the process, the Loan Officer provides a basis to either: 1) manage the risks present in the loan applicant and recommend approval of the loan or; 2) acknowledge the risk can not be managed and recommend denial to the GCPA Board.

The Report must present sufficient detail, supported by credible financial summaries and analysis so that the Board can make a reasoned judgment and take final action based upon the Loan Officer Report. The Board of Directors can request presentation of the actual loan application documents.

The process is not based solely on risk analysis (why a loan should or should not be made), but on risk management (how the risks can be managed in this situation).

- Applicant Information
- Describe eligibility issues of the loan request.
- Up to \$5000 in grant allocation to for profit businesses.
- Business Plan
- Employment benefits
- Loan Request
- Letter from Bank or financial institution
- Balance Sheet Analysis
- Analysis of Management Ability
- Financial Analysis of Business
- Income Statement Analysis
- Cash Flow Analysis
- Analysis of Owner's Personal Living Needs
- Collateral Analysis
- Owner's Equity position
- Summary and Recommendation

A copy of the Borrower's (and/or Guarantor's) credit report will be attached.

If applicant fails to provide any of these within the application the application will not be accepted and the applicant must again go through the loan/grant process.

SECTION 9

LOAN DECISION

Approval

The loan structuring process should clearly match the loan term and structure to the individual's ability to service the debt.

Written notification of the approval and any changes to the proposed loan terms and conditions will be provided to the applicant and detailed in a commitment letter. The Borrower will be required to acknowledge terms and conditions outlined in the commitment letter.

Special Considerations

NONE

Denial

To comply with the Equal Credit Opportunity Act, GCPA will adhere to the following procedures:

- a. If a loan application is screened out or withdraws before consideration by the Board of Directors, the entire application should be given to the applicant, along with a letter explaining why the loan cannot be considered.
- b. If the Board of Directors formally declines the loan, the application and support documents are not returned to the borrower.
- c. A formal letter on all denials must be signed by the Loan Officer and sent to the borrower. The reasons for the denial must be specified and explained in terms the applicant can understand so he/she will know what needs to be overcome for any reconsideration. Otherwise, under provisions of the Freedom of Information Act, the applicant may be entitled to a copy of the entire loan report.
- d. Reconsideration rights must be stated.

Standard reasons for denial are as follows:

1. Collateral, along with other factors, is not deemed sufficient to protect the interest of GCPA.
2. Lack of reasonable assurance of ability to repay loan (and other obligations) from earnings.
3. Disproportion of debts to tangible net worth before and after the loan (debt-to-equity).
4. Inadequate working capital after loan.
5. The result of granting the financial assistance requested would be to replenish funds distributed to the owner, partners, or shareholders.
6. Gross disproportion between owner's actual investment and the loan requested.
7. Lack of reasonable assurance the applicant will comply with the terms of the loan agreement.
8. Unsatisfactory experience on existing loan.
9. Not eligible because of policy reasons.
10. Other reasons as outlined by the Board of Directors.

Reconsideration after Denial

The letter which advises the applicant of the denial of the original application must advise the applicant of the right to reconsideration and the procedure for requesting such. An applicant and/or

borrower may request reconsideration within sixty (60) days of the formal denial. To prevail, the applicant must demonstrate that it has overcome all legitimate reasons for denial. Beyond sixty days after denial, a new application is required.

For reconsideration, the applicant must provide the following:

- (1) The request must be in writing
- (2) All necessary information must be up to date, including a current financial statement, which is less than ninety (90) days old
- (3) Justification as to why the denial should be reconsidered

The Board of Directors will always take first action on all loan application reconsiderations. The Loan Officer Report will give sufficient detail to summarize any changes from the original loan consideration.

An applicant can appeal for reconsideration to the GCPA Board of Directors. An appeal must be made within thirty (30) days of the denial of the reconsideration. The GCPA Board of Directors will make the final decision on all appeals.

If the reconsideration is denied, the applicant can not apply for reconsideration until six (6) months following the denial date.

SECTION 10 LOAN CLOSING

A loan closing will be scheduled with the borrower after loan approval and all contingencies have been satisfied. Original vehicle title(s) and verification of both hazard and life insurance must be received prior to loan closing. Corporations must provide a corporate resolution authorizing the corporation to borrow loan funds and designating specific officers as signatories.

The contracted Loan Officer will prepare all closing documents. At the discretion of the Loan Officer, the documents may be prepared and/or reviewed by legal counsel. Prior to loan closing the Borrower may receive a copy of the loan closing documents for review.

The Borrower is responsible for all costs associated with the loan. Fees are to include, but are not limited to, the following items:

- 1% Loan Origination Fee
- Appraisal Fee
- Credit Report
- Title Search and/or Title Insurance
- Attorney Fees
- Recording Fees
- Lien Searches
- Survey Costs

Many of the above costs are incurred regardless if the loan is approved. The Borrower should be required to pay the following expenses before the loan is presented to the Board of Directors: Credit Report, Lien Search, Appraisal Fee and Title Search and/or any other costs incurred by GCPA that are required to provide an accurate loan presentation to the Board. Any loan closing expenses, not paid up-front, will be collected at the time of closing. The fees can either be paid by the borrower or deducted from the loan proceeds. The Borrower will sign a Closing Statement indicating how the fees were paid.

The Borrower and Loan Officer will initial the check-off sheet at the time of the loan closing. The Borrower will be given a detailed list of on-going compliance requirements as specified within the loan documents.

After loan approval, all loan proceeds must be disbursed within sixty (60) days of loan closing. If all proceeds are not disbursed and not extended in the original loan request, a new justification of the loan by the Loan Officer must be made to the GCPA Board of Directors. This justification must be supported by a new analysis of updated information from borrower showing there have been no adverse changes in the business since the approval date.

Borrowers must submit a signed authorization for payments. Copies of invoices and receipts must be attached to the authorization. **All loan funds will be disbursed directly to vendors and applicant jointly. Mandatory**

Hazard Insurance Requirements

- a) All loan borrowers must maintain hazard insurance coverage on all collateral securing the loan with the policy reflecting appropriate loss payee clauses covering GCPA.
- b) A reduction in coverage may be considered only if the loan is seasoned and the assets covered by the insurance have been sold or depreciated.
- c) If, during the life of the loan, circumstances are such that adequate insurance or assignment of interest in insurance on collateral is not obtainable or is available only at an exorbitant cost, the borrower may submit a letter to GCPA explaining the unavailability of coverage.
- d) The GCPA Board of Directors will make the final determination in waiving this requirement.

Life Insurance Requirements

- (1) All loan borrowers must maintain life insurance coverage. The policy must reflect appropriate collateral assignee clauses covering GCPA.
- (2) The Board may consider other forms of insurance, such as whole life or universal life. The GCPA Board of Directors will make the final determination on the acceptable form of life insurance. The Loan Officer may recommend approving a reduction in coverage as the balance is reduced and the loan becomes seasoned.
- (3) If, during the life of a loan, circumstances are such that adequate insurance or assignment of interest in insurance on a principal is not obtainable or is available only at an exorbitant cost, the Board of Directors may consider releasing the requirement following the loan servicing recommendation.

- (4) The Loan Officer must immediately advise all guarantors and beneficiaries in writing when a notice of cancellation of assigned life insurance on the life of any borrower, principal of borrower, or other guarantor, is received.

SECTION 11 LOAN SERVICING POLICIES

Payments

Borrowers will make payments to GCPA in accordance with the loan agreement and promissory note executed at loan closing. All loan payments will be deposited into GCPA's account with a federally insured institution. GCPA will charge the borrower a fee of \$25 for any loan payment returned by the Bank to GCPA for Non-Sufficient Funds (NSF).

A Loan Loss Reserve account will be established for each loan program, with a \$10,000 minimum.

At the end of each month, the account will be reconciled with the overall fund balances.

Monitoring

The following items will be specifically monitored by the staff:

- a. Financial Statement and Tax Returns - Financial Statements will be collected in accordance to the loan agreement and tax return will be requested annually. If any issues or concerns development regarding the financials, additional technical assistance will be advised.
- b. Life Insurance Verification - Life Insurance will be required and verification that the policy is assigned to GCPA will be checked based on the payment schedule of the insurance.
- c. Hazard Insurance Verification - Hazard insurance will be required and verification that GCPA is listed as Loss Payee and additional insured on the policy. The information will be checked based on the payment schedule.
- d. Liability Insurance Verification - When vehicles have been taken as collateral, the Borrower must maintain full coverage with collision on the vehicle(s). GCPA must be listed as Loss Payee. The information will be checked based on the payment schedule.
- e. Worker's Compensation - if the borrower has employees, proof of worker's compensation must be provided.
- f. UCC Filings - UCC filing must be filed with the Secretary of State's office and a continuation statement filed prior to the fifth year anniversary of the initial filing.
- g. Other renewal items - Some loans will have other renewal items, such as liens on livestock brands. These items will be monitored as well and continuations filed when necessary.

The GCPA Board of Directors will conduct an annual review site visit at the Borrower's place of business. During the site visit, staff will verify employment numbers, inspect collateral, and answer questions the Borrower may have concerning their loan with GCPA. In addition, the above information may be verified periodically throughout the year. The service provider may participate in these site visits as well.

Delinquency Policy

Late payments will be handled in the following manner:

1. Late fees in the amount of 5% of the payment amount, up to \$25.00, will be assessed on payments received after the 10th day past the scheduled payment date.
2. A telephone call will be made and a letter will be sent to Borrowers who have not made their payment after the 10th day past the scheduled date.
3. If payment is not received within 30 days from its scheduled due date, GCPA staff will schedule an appointment to meet with the Borrower to assess the situation.
4. If payment is not received after 60 days from its scheduled due date and the Borrower has failed to communicate with GCPA staff, a letter of default will be issued to the Borrower.
5. If payment is not received after 90 days from the scheduled due date and the Borrower has failed to communicate with GCPA staff, a recommendation for foreclosure proceeding will be made to the Board. At the next scheduled Board meeting, the Directors will be informed of any foreclosure proceedings which have been recommended.

Foreclosure Policies

In most instances a straight foreclosure will be viewed as the last option. There are, however, instances when foreclosure is the best option and the only remedy to a deteriorating situation. Foreclosure may only take place upon the decision of the Board of Directors.

All foreclosure proceedings and actions should be done in such a way as to provide maximum protection for the loan portfolio, its participating lenders, if any, and for the interest of all affected parties, including the low and moderate income customers of the Borrower.

Collateral liquidations must attempt to cover the cost of the outstanding loan principal, any accrued interest owed to GCPA, and the transaction costs of the liquidation efforts (e.g. legal, marketing, staff time).

In the event that the foreclosure proceeds do not cover the outstanding loan amounts due and the cost of the collection, deficiency judgment will be sought. The foreclosure proceeds will be disbursed as follows:

- a. Collection costs for all parties
- b. Loan amounts due in lien priority

Loan Write-offs

The Loan Officer will make recommendations to the Board of Directors for loan write-offs. Loan write-off amounts will be re-capitalized from the Loan Loss Reserve Account. Payments received from written-off loans will be placed in the loan loss reserve account to recapitalize the reserve.

SECTION 12 REPORTS

An annual report on the financial status and performance of the loan fund will be prepared and submitted to the GCPA Board of Directors and Glacier County Commission.

SECTION 13 POLICY DEVIATIONS

Any deviation of these policies must be approved by the Board of Directors. To be considered for a deviation, the Borrower must submit a written request for the deviation and the reasons for the request. The Board of Directors will consider the deviation request.

SECTION 14 RE-LENDING POLICIES

GCPA will utilize the financing policies and procedures identified earlier in this document, in addition to the following:

- Working capital loans will not exceed 50 percent of the total loan portfolio or beyond the GCRPA cap policy herein at any given time.
- Length of loan term will not exceed 3 years, the useful life of the collateral and the ability of said applicant to repay while still maintaining positive cash flow
- The GCPA anticipated interest rate on loans is 1% over Prime rate. The Wall Street Journal prime rate will be consulted in determining the interest rate.
- With regard to collateral, the Board of Directors will consider the merits and potential economic benefits of each request. Collateral for a project will be as outlined under Section 6 - Collateral of this document.
- Please refer to Section 10 - Loan Service Policies for policies relating to delinquencies, loan workouts and/or restrictions, foreclosure policies and write-off policies.
- Loan guarantees will not be included in the RLF Program.
- All proceeds from interest payments will be utilized in one of the following ways:
 - To meet administrative costs related to the RLF.
 - Returned to the RLF to provide funds for additional loans.
 - Used as collateral and payment to offer financial institutions to allow the RLF to borrow short-term funds to increase capital available to make priority loans.