

*"Improving the Quality of Life through the economic development of The rural area of central Wisconsin"*

Commitment To Community

Accountability


Innovation

Reliability

FOR MORE INFORMATION  
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Revolving  
Loan  
Fund

# REVOLVING LOAN FUND GUIDING PRINCIPLES

## Purpose

The revolving Loan Fund (RLF) seeks to enhance the quality of life in the rural areas of Central Wisconsin by contributing to the long term improvement in the general economy by promoting quality job creation and retention, diversification of the economy, improving the skills of the rural workforce, and providing needed community services to benefit rural citizens.

## Innovation

### Eligibility

In general, eligible projects can include any business venture, governmental public body, or non-profit entity involved in a community or economic development project that promotes the ideals of the RLF.

## Accountability

### Ineligibility

Ineligible uses of the RLF include, but are not limited to, pre-development cost, refinancing of existing debt, and general improvement loans related to normal replacement needs of a business.

## Financing Information

The RLF seeks to minimize its financial participation in all projects. The RLF is not intended to compete with other public or private lenders. The RLF will collaborate with other lenders to provide the financial package necessary to help realize the project.

RLF applications are accepted when the fund contains a balance of at least \$10,000. The minimum RLF loan will be \$5,000 and the maximum RLF loan will be \$76,675.

RLF projects must include a minimum of 20% funding from other sources.

### Interest Rate and Fees:

Interest rates on all RLF loans will not exceed the prevailing prime rate as published in the Wall Street Journal, and will be determined based on the evaluation of ability to repay and the necessity of below market financing to make the project happen. Interest earned on any RLF loan must stay in the fund for use in making additional RLF loans.

An annual loan servicing fee of up to 1% of the unpaid principal loan balance may be charged for loan administration.

The RLF may charge borrowers for loan closing costs, attorney's fees, filing fees, etc., as necessary to complete the fund documentation.

## Loan Terms:

The maximum term of an RLF loan shall not exceed 10 years.

- ✓ Building 10 years
- ✓ Real Estate 10 years
- ✓ Equipment 5 to 7 years

## Reliability

### Collateral

RLF loans will be appropriately collateralized as determined by the Clark Electric Cooperative board to secure its participation in the project. Typical collateral includes, but is not limited to, mortgages, liens, irrevocable letter of credit, and/or personal guarantees. The loan recipient will be required to maintain appropriate insurance on all secured assets with Clark Electric Cooperative named as an additional loss payee.

## Commitment To Community

### Loan Disbursements

Before RLF funds can be disbursed to the borrower, all requirements and terms of the loan agreement must be met and supplemental financing must already be contributed to the project.

