



REGION XII

DEVELOPMENT CORPORATION

Economic Development Revolving Loan Fund Program **FACT SHEET**

Region XII Development Corporation (RDC) provides loans & financial packaging assistance to small businesses throughout the six counties Region XII serves. Since 1995, the RDC has provided loans to over 45 businesses totaling nearly \$4 million. As a result, 550+ jobs have been created/retained, and over \$21 million has been invested in our counties.

The RDC Revolving Loan Fund contains funding provided by the six counties, the U.S. Department of Commerce (Economic Development Administration), and USDA Rural Development.

Loan applications are reviewed monthly by a committee of local development and private lender representation from each county. Borrowers are required to meet investment and job creation criteria, which is further explained in this fact sheet.

**SERVING AUDUBON, CARROLL, CRAWFORD,
GREENE, GUTHRIE, & SAC COUNTIES
IN WESTERN IOWA**

**Region XII Development
Corporation, Inc.**
1009 E. Anthony St.
PO Box 768
Carroll, Iowa 51401
Phone (712) 792-9914
Fax (712) 792-1751
www.rdc.region12cog.org

PROGRAM GUIDELINES

1. Applicant businesses must be located in one of the six Region XII Counties.
2. One permanent full-time job will be created or retained for every \$10,000 loaned, and borrowers will be required to report job creation information on an annual basis.
3. The maximum loan amount is \$250,000 or 40% of the total project cost, whichever is less (depending on the availability of funds).
4. At a minimum, the applicant must contribute 10% of the total project cost in cash. Equity in existing assets brought into the project may be included towards this requirement with Region XII approval.
5. The minimum amount of conventional (bank) financing in the project is 50% of the total project cost, and applicants must have bank financing secured and committed prior to application.
6. Applicants must demonstrate need for RLF funding (i.e., additional bank financing is not available, other sources are "maxed-out," etc.)
7. RLF funds may be used for land acquisition, building construction and renovation, equipment, inventory, and working capital.
8. Funds may not be used for projects that are purely speculative in nature (i.e., spec building construction).
9. Applicants must provide documentation that the project is feasible and sound, including (at a minimum) a business and marketing plan and financial projections for at least three years in the future.
10. All projects are subject to an environmental review and when appropriate, a cultural resources assessment to ensure compliance with local, state, and federal laws and regulations.
11. Generally, applications will not be accepted for projects that will directly compete with other existing local businesses (i.e., restaurants, automobile repair shops, or retail stores where other such businesses already exist). Those projects that involve business activities similar to other existing companies must include a detailed market analysis with their application that shows how their project is unique and that the project will not adversely affect the other existing company.
12. The interest rate on loans vary depending on the current prime rate and the need of the applicant. Interest rates on loans made from the EDA or RBEG funds will be 4.0% or 4.0% below prime, whichever is higher. Interest rates on loans made from the IRP funds will be 6.5% or 1.5% below prime, whichever is higher. The interest rate on all loans shall be determined by the loan review committee, regardless of what rate is requested by the applicant at the time of application. Most loans will be made with a combination of funds, resulting in a blended rate.
13. Repayment terms generally require monthly payments, with a maximum loan amortization of 10-years with a 5-year balloon. Repayment terms will be determined by the loan review committee based on project need and the applicant's request.
14. All loans must be secured, and a first collateral position is desired if possible. Lesser security positions may be approved by the loan review committee if necessary to the success of the project. All projects will require personal guarantees from all persons owning a 20% or larger share of the company.

APPLICATION & CONTACT INFORMATION

Applications can be obtained from the County development officials listed below and Region XII Council of Governments. Region XII COG staff is responsible for basic loan packaging for submission to the Region XII Development Corporation Loan Review Committee for review. Interested parties should contact Region XII prior to submission of a full application for a "pre-consultation" on the project. Completed applications are due the 25th of each month, and will be reviewed the month following submission to Region XII COG. Applications will only be reviewed if they are complete and meet specific requirements of the RLF program. Additionally, applications will not be reviewed until the application fee of 1.5% of the loan amount requested has been paid. Applications will be reviewed by the Loan Review Committee, who will make recommendations on funding and terms to the Region XII Executive Board who will make final review of all applications and terms. For more information, please contact one of the following economic development officials:

REGION XII COUNCIL OF GOVERNMENTS

Joe Behrens, Local Assistance Director
Phone (712) 792-9914
e-mail: jbehrens@region12cog.org

Rick Hunsaker, Executive Director
Phone (712) 792-9914
e-mail: rhunsaker@region12cog.org

AUDUBON COUNTY

Tom Nielsen, Executive Director
Audubon County Economic
Development
800 Market St.
Audubon, IA 50025
(712) 563-2742

CARROLL COUNTY

Jim Gossett, Executive Director
Carroll Area Development Corp.
223 W. 5th Street
Carroll, IA 51401
(712) 792-4383

CRAWFORD COUNTY

Don Luensmann, Exec. Director
Chamber & Development Council of
Crawford County
18 South Main Street
Denison, IA 51442
(712) 263-5621

GREENE COUNTY

Rick Morain, Executive Director
Greene County Development Corp.
214 N. Wilson, PO Box 440
Jefferson, IA 50129
(515) 386-2155

GUTHRIE COUNTY

Jason White, Executive Director
Midwest Partnership Corp.
615 S. Division, Suite B.
PO Box 537
Stuart, IA 50250
(512) 523-1262

SAC COUNTY

Shirley Phillips, Exec. Director
Sac Economic & Tourism
Development
615 Main Street
Sac City, IA 50583
(712) 662-7383



Region XII Development Corporation is a subsidiary of Region XII Council of Governments (COG). Region XII COG was organized in 1973 in order to help local governments in the region facilitate community development projects.

Region XII serves 6 counties in Western Iowa including Audubon, Carroll, Crawford, Greene, Guthrie, and Sac. Since 1973, the COG has grown into a multi-purpose organization with over 50 employees, three departments, and numerous programs designed to improve the lives of our residents. Region XII Development Corporation is an integral part of this effort.



IN ACCORDANCE WITH FEDERAL LAW AND U.S. DEPARTMENT OF AGRICULTURE POLICY, REGION XII COUNCIL OF GOVERNMENTS IS PROHIBITED FROM DISCRIMINATING ON THE BASIS OF RACE, COLOR, NATIONAL ORIGIN, SEX, RELIGION, AGE, DISABILITY, OR MARITAL OR FAMILY STATUS. (NOT ALL PROHIBITED BASES APPLY TO ALL PROGRAMS.)

TO FILE A COMPLAINT OF DISCRIMINATION, WRITE USDA, DIRECTOR, OFFICE OF CIVIL RIGHTS, ROOM 326-w, WHITTEN BUILDING, 1400 INDEPENDENCE AVE., SW, WASHINGTON, DC 20250-9410 OR CALL (202) 720-5964 (VOICE AND TDD). USDA IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER.