

# Revolving Loan Fund Application/Review Process

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## Application Process

Applications will be accepted from new or existing business owners in the City of Hayfield and surrounding area.

Applications will be completed with support by the EDA staff. Completed applications received by the 30th of the month will be reviewed and acted upon by the EDA Board of Directors at their next regularly scheduled meeting. Applications which are determined to be incomplete by the EDA staff or EDA Board will be held over until the next month. EDA staff is available to assist each borrower in the completion of the application package. Please contact Hayfield City Hall at 507-477-3535.

## Application Packaging Process

1. Meeting and interviewing potential applications with the EDA staff shall include but not be limited to:

- Determine eligibility
- Identify potential loan structure
- Determine overall debt service capacity
- Identify private sector participant

No initial interview to be conducted unless interviewee can provide:

- Project cost summary or estimates
- Business historical financing statements
- Projections of future revenues

2. Analyzing financial statements as quickly as possible after initial interview and prior to meeting with private sector lender:

- Spread historical financial statement
- Identify historical trends
- Determine working capital needs

- **Compare historical trends projections to identify management character and capacity to see project through**
- **Decline deals which fail credit test quickly**

**3. If appropriate, meet with private sector lender to:**

- **Determine lender willingness to participate in project**
- **Answer questions on RLF participation and give an overview of RLF Program**
- **Request senior mortgage commitment for up to 60% of project cost**

**4. Prepare a loan package which includes, but is not limited to, the following:**

- **Loan application**
- **Summary and overview of project**
- **History of business**
- **Purchase agreements**
- **Written cost estimates**
- **Credit review summary (spreadsheet)**
- **Historical financial statement of business (and affiliates)**
- **Current statement within 90 days**
- **Projections**
- **Personal financial statements**
- **Resume(s)**
- **Lender commitment letter(s) and interim loans**
- **Compensation of agreement for services**
- **Miscellaneous exhibits**