

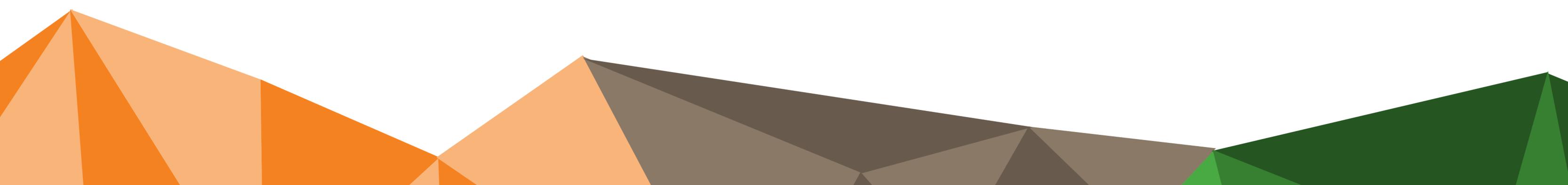
Revolving Loan Fund (RLF)

Caroline Loos, RLF Program Manager
January 18th, 2023



- ✓ EIP/RDF loan payments capitalize local RLF loan. The payments, including interest, and bank account interest retain federal identity
- ✓ RLFs may be used for local CDBG eligible economic development needs
- ✓ Possible to partner with local banks to finance eligible activities (same as EIP) that create employment for L/M persons
- ✓ 50/40/10 Rule: Project funded with 50% RLF, 40% local bank, and 10% private funding

Quick Facts

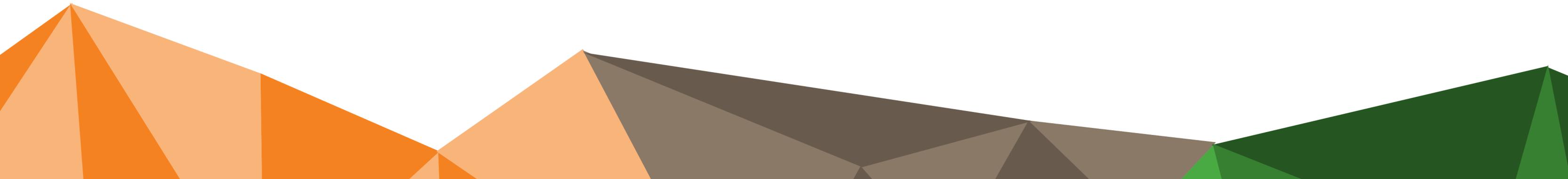


Eligible Activities

- DCA encourages local governments to think creatively and devise innovative approaches to implementing their RLF policies.
- Local RLF's can use funds...
 - as a funding gap for large projects – may request one-time waiver to DCA, if necessary,
 - as working capital loans, and
 - overall, for activities which are carried out by public or private nonprofit entities that fulfill a National Objective.

Ineligible Activities

- Creation of a job that would cost more than \$40,000 in RLF funds per job
- Reimbursement of project costs prior to submission of RLF application
- Refinancing of permanent debt
- Payment of delinquent taxes or debt
- Product development costs
- General government expenses
- Political activities



COMPLIANCE

Cash

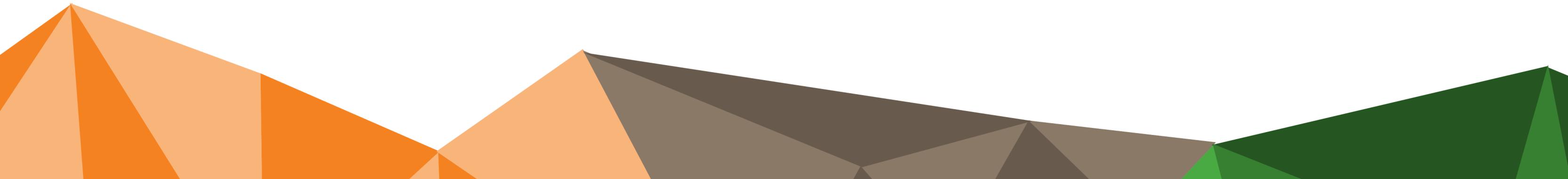
Having too much cash on hand can put your RLF out of compliance. RLFs can up to either \$125,000 or 30% of their total assets in cash, whichever calculation is greater.

Loans

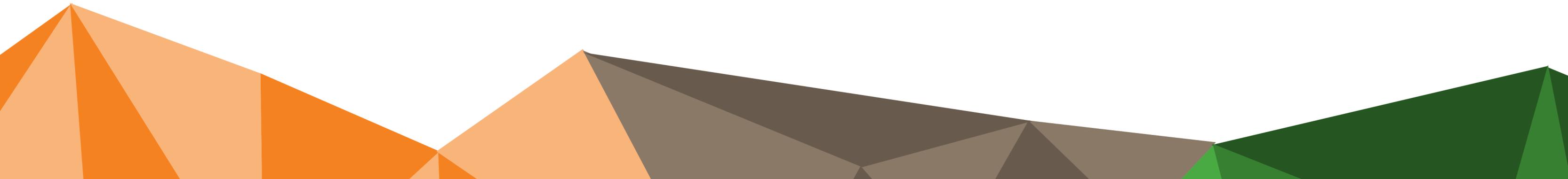
Local RLFs must have made a loan within the last 5 years.

Reports

A community can be noncompliant if they have not submitted a semi-annual report in the last 6 months. These are due two times per year and just one delinquent report can put your RLF out of compliance.



What can I do if my RLF is out of compliance???



COMPLIANCE

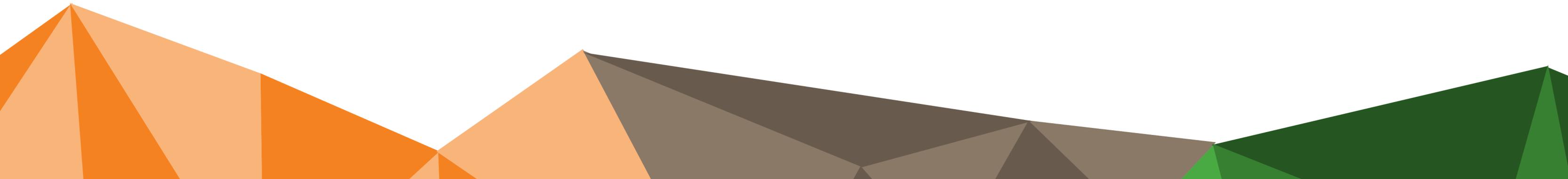
Keep your RLF open **or**

Depending on the circumstance, you may need to...

send cash back to DCA,
make a new loan, or
send in delinquent semi-annual reports

Close your RLF

Close your RLF to received bonus points on your CDBG annual competition application. This includes sending back all program income and if applicable, working with us to determine how receivables will be paid back to DCA.



making a new loan

As of January 31st, 2020, RLF Loan Compliance Review Forms are required for every loan

Every community should have signed and emailed back a Certification of Receipt of this new process

DCA RLF Loan Compliance Review Form

Local Government: _____ Date: _____

Project/Business Name: _____

Project/Business Address: _____

Total Project Cost: \$ 0.00 Project Activity: _____

Project Funding Mix

| Funding Source | Dollars | Percentage | Use/ Activity |
|----------------|---------|------------|---------------|
| RLF | | 0.00% | |
| Bank | | 0.00% | |
| Owner | | 0.00% | |
| Other | | 0.00% | |
| Total | \$ 0.00 | | |

RLF Loan Details

| RLF Loan Amount | Interest Rate | Loan Term | Use of Funds |
|-----------------|---------------|-----------|--------------|
| | % | | |

Total Jobs Created: _____ Low/Mod Jobs Created: _____ RLF Dollars/Job Ratio: _____

Collateral: _____

Anticipated Public Hearing Date: _____

Loan Review Committee Members:

Name: _____ Title: _____

Check box to indicate loan meets Local RLF Policies & Procedures

Date RLF Policies & Procedures were approved: _____

Local Government CEO

Name: _____ Signature: _____

Date: _____

.....
DCA Approval Date: _____ By: _____

reports

Reporting Periods

December 31st, 2022
Semi Annual Report due
January 31st, 2023

June 30th, 2023
Semi Annual Report due July
31st, 2023

December 31st, 2023
Semi Annual Report due
January 31st, 2024

| Local Revolving Loan Fund Semi-Annual Report For the period ending: _____ | | |
|---|--|---|
| Name of Local Government: _____ | | Contact Person: _____ |
| Chief Elected Official's Signature: _____ | | Contact's Phone: _____ Email: _____ |
| Section 1 Job Totals What is the cumulative number of jobs that have been created from all EIP/RLF projects? _____ What percentage of the total number of jobs created has gone to low/moderate income persons? % _____ | Section 3 Balance Sheet (cumulative) Assets Cash or cash equivalents _____ Loans Receivable _____ Less Uncollectible _____ Net Loans Receivable _____ Lease Payment Receivable _____ Fixed Assets _____ Other Assets _____ Total Assets ----- \$ _____ Liabilities and Fund Equity Accounts Payable _____ Other Liabilities _____ Total Liabilities ----- \$ _____ Fund Equity Reserved For Revolving Loans _____ Total Fund Equity ----- \$ _____ Total Liabilities and Fund Equity \$ _____ | Section 4 Schedule of Loans & Lease Receivables Loan Information <i>Name of Business:</i> _____ Date RLF loan was made _____ Amount of original loan principal: _____ Rate and term of loan: _____ Use of loan proceeds: _____ Amount of principal remaining: \$ _____ Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____ <i>Name of Business:</i> _____ Date RLF loan was made _____ Amount of original loan principal: _____ Rate and term of loan: _____ Use of loan proceeds: _____ Amount of principal remaining: \$ _____ Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____ <i>Name of Business:</i> _____ Date RLF loan was made _____ Amount of original loan principal: _____ Rate and term of loan: _____ Use of loan proceeds: _____ Amount of principal remaining: \$ _____ Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____ Note: If there are any additional loans or loses, please attach a separate sheet and enumerate in the same format. |
| Section 2 Statement of Revenues and Expenditures Revenues Interest earned from: Bank account _____ Notes receivable _____ Gain or (loss) on sale Of fixed assets _____ Other (Identify) _____ Total Revenues ----- \$ _____ Expenditures Administrative Cost _____ Loan service charges _____ Other (Identify) _____ Total Expenditures ----- \$ _____ Net revenues over (under) expenditures \$ _____ | | |

DCA Contact: Caroline Loos RLF Manager, (770) 876-7083 or CDBG.Biz@dca.ga.gov

cash

Calculation for \$125,000 compliance

| Name of Jurisdiction | Total Assets | NLR plus other assets | Cash | Current Percent | Cash to Return | New Cash Balance | New Asset Balance | New Percent |
|----------------------|--------------|-----------------------|--------------|-----------------|----------------|------------------|-------------------|-------------|
| City of Caroline | \$1,650,000 | \$1,000,000.00 | \$650,000.00 | 39.39% | \$525,000 | \$125,000.00 | \$1,125,000.00 | 11% |

Calculation for 30%

| Name of Jurisdiction | Total Assets | NLR plus other assets | Cash | Current Percent | Cash to Return | New Cash Balance | New Asset Balance | New Percent |
|----------------------|--------------|-----------------------|--------------|-----------------|----------------|------------------|-------------------|-------------|
| City of Caroline | \$1,650,000 | \$1,000,000.00 | \$650,000.00 | 39.39% | \$221,428.57 | \$428,571.43 | \$1,428,571 | 30.00% |

Thanks!

Any questions?

Caroline.Loos@dca.ga.gov

