

Hometown Business Preservation Initiative

Creating a Revolving Loan Program

Office of
**COMMUNITY &
RURAL AFFAIRS**

In partnership with the Purdue Center for Regional Development and The Ohio State University

This instructional program will guide community leadership on how to establish a Revolving Loan Fund which can provide necessary loans to small businesses based on community needs. As local, state or federal funds become available, they may be placed in the community revolving loan account to then lend to identified businesses.

Interested? Here are the next steps:

- Identify a person to serve as the Primary Administrator
- Develop members of a RLF Loan Review Committee
- Identify possible funding resources
- Complete online survey that indicates a desire to establish a RLF
- Participate in the one hour online session

Partners for this program include:



Eligible Applicants



City, county, or incorporated town; economic development corporations, main street organizations, chambers of commerce, and community foundations.

What is the process?

One-on-one online webinars to walk you through the process by team of experts.

Topics covered include:

- Fund's purpose and eligibility requirements
- Primary Administrator roles/responsibilities
- What is the Loan Review Committee?
- Use of funds and loan amounts
- Loan details (length of loans, fees, interest rates, etc.)
- Setting up the fund account
- Strategic marketing
- Loan application intake process
- Review & funding of loans
- Track results and assess fund sustainability

Consult your Community Liaison for more information



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Primary Administrator

Primary functions:

- Point of contact for loan applications & documentation
- Liaison between clients and Loan Review Committee
- Prepares loan files for Committee Review and legal due diligence (loan processing)
- Schedules Loan Review Committee meetings and closings

Other functions may include:

- Disburses funds
- Receives payments (loan servicing)
- Retains records
- Oversees fund account
- Prepares periodic reports of RLF to Committee

Loan Review Committee

A mix of 5 to 7 public, nonprofit and private organizations, including the Primary Administrator. Possible members include:

- Municipality representative
- Chamber of Commerce organization
- Economic Development Association
- Attorney or law firm
- Financial Institution
- CPA Firm, accountant, financial advisor
- Small Business Development Center representative

Serves as the governing body with such duties as:

- Participate in board meetings
- Establish guidelines and processes
- Review and assess loans
- Approve & deny loans (as a committee)
- Engage in timely consultations with clients
- Conduct program & metric evaluations



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