

# ECONOMIC DEVELOPMENT CORPORATION

## LOAN PROCESS

1. **Review Process:** Specific steps in the review process include the following: See chart for each fund
  - A. Preliminary Review
  - B. Formal Review
  - C. Negotiation of Terms
  - D. Notice of Award
  - E. Rejection of Award
  
2. **Loan Procedures:** Prior to releasing monies, the following documentation must be in place or provided at the appropriate time during the term of the loan.
  - A. Notice of Award
  - B. Loan Agreement
  - C. Promissory Note
  - D. Security
  - E. Repayment Schedule and Terms
  - F. Evidence of Permits
  - G. Evidence of Program Expenditures
  - H. **Fixed Equipment**-Fixed equipment financed with funds must have been purchased, delivered, and installed prior to disbursement of funds.
  - I. **Fire and Extended Coverage Insurance**-Maintain fire and extended coverage insurance on the project property required during the term of the loan. The County shall be listed as Loss Payee, Mortgagee, or "additional insured"

**With the above documentation in place, a loan closing will be scheduled.**

3. **Disbursement of Funds:** All documents will be executed before funds are disbursed, and mortgages and UCC Statements shall be recorded with the Register of Deeds and the Secretary of State.
  - A. **Invoices**- Applicant must return a paid invoice to the administrator prior to funds being reimbursed. If the invoice needs to be paid, a check will be issued to both the vendor and applicant.

A loan repayment or amortization schedule shall be prepared by the RLF Administrator after the loan proceeds are fully disbursed. At that time, the repayment schedule shall be attached to both parties' copies of the agreement.