

CITY OF CARO

Revolving Loan Fund Guidelines Policy

The City of Caro agrees to utilize the following Revolving Loan Fund Guidelines:

Guidelines

- I. Funds to be reserved for businesses within Caro's jurisdiction.
- II. Applicants must demonstrate their existing or future community involvement.
- III. Loan must be in conjunction with other funding sources where gap financing is required by a primary lender.
- IV. Interest rates to follow Tuscola County EDC guidelines.
- V. Applicants to demonstrate job creation resulting from a loan approval. Correlation of job creation to the loan proceeds to be based on Michigan Economic Development Corporation guidelines at the time of application or a fixed amount to be determined by the City Council Finance Committee
- VI. Personal guarantees of principals or owners are required.
- VII. Collateral to be subordinated only to the primary lender.
- VIII. Terms to be negotiated at time of the loan but no more two years in duration.
- IX. The EDC and the City Manager would be responsible for negotiations on any loan application.
- X. EDC Board of Directors would be responsible for approving or rejecting any loan application.

Adopted by Council: _____

Policy # 09-020