

## **Plainfield Revolving Loan Fund**

Revised May 2014

### **HISTORY:**

The Plainfield Revolving Loan Fund PRLF was initially created in 1985 through a grant from the Vermont Community Development Program. Its initial purpose was to improve the condition of historic structures, create housing and improve the vitality of the downtown areas. These funds were to be distributed as low interest loans and paid back to the town of Plainfield. Once paid back, Plainfield had full discretion as to how to use these funds. By 1997, many of the funds were paid back and the account had over \$70,000. The Selectboard formed a committee to oversee the distribution of these funds by way of loans. The following loan criteria were developed:

### **PURPOSES:**

The purposes of the PRLF will be, in no particular order of importance:

1. Emergency building repairs for eligible borrowers
2. Job creation, job preservation and enhancement of Plainfield
3. Improve community-owned facilities
4. Improve the accessibility of businesses and facilities to people with disabilities
5. Promote establishment or expansion of business, including agriculture
6. Promote or increase affordable and safe housing, owner-occupied or rental
7. Improve appearance of town of Plainfield
8. Promote preservation of historic properties

If there are a variety of applications that arrive simultaneously, priority will be given to non-town government projects.

### **ELIGIBILITY:**

- This program is designed to serve the interests of the town of Plainfield. Therefore, citizens of the town, businesses, non-profit organizations, town government and community organizations are eligible.
- Loans will be awarded on the basis of need, which may be defined for larger or smaller loans, as well as ability to repay the loan. Applicants will be required to demonstrate need based on income, savings levels, availability of other financial resources, or inability to secure financing elsewhere. Need can be shown based on submitted reports or income, savings, cash flow and other resources.
- The applicant is expected to show investment in the project in the form of cash, additional financing, in land, labor or materials. PRLF process can be used to match funding from other sources. Applicant should be able to show why the requested loan is an essential part of the success of the project.
- Minors may apply for the loans as long as an adult or guardian is willing to co-sign the loan.

### **CONDITIONS:**

- Interest rates will be set at prime with a minimum interest rate to be set at 1%.

- Security will be required in the form of liens on the real estate or equipment as required.
- The maximum loan is currently set at \$20,000 for all applications except for those submitted by the town of Plainfield. These town projects may apply for more than \$20,000, and they will be decided on a case by case basis. In the case that the Select Board applies for a loan for a town project, the PRLF committee's decision will be final.
- The term of the loan will be determined on a case by case basis. The guideline used will be one year for every \$1000 of loan, with a maximum of a 10-year term, but this should be considered a flexible guideline.
- The PRLF Committee may require technical or design support to ensure that a project will be successfully completed. Costs for this support will be added to the project cost and can be included in the loan.
- An application fee will be \$10 per \$1000 requested with a maximum fee of \$50 for businesses, \$30 for individuals and nonprofits, payable to the Town of Plainfield, and waived for the town of Plainfield. Closing costs are to be born by the borrower and typically are about \$250.
- The PRLF will maintain a minimum reserve fund of \$20,000 specifically for the emergency needs of Plainfield residents. An example of an emergency need would be a boiler breaking down in the middle of winter.

#### **COMMITTEE:**

- The Committee will serve to assist the Selectboard in the review process of the loan applications. They will review applications, talk to the borrower, compare the request with the stated goals of the PRLF and make a recommendation to the Selectboard. The Committee has no authority to accept or deny the applicant EXCEPT in one case: when the town of Plainfield is the applicant and the Committee does NOT recommend a loan.
- The Committee will also announce and market the fund, prepare and distribute application forms, assist applicants as needed, and submit recommendations to the Selectboard. The Selectboard has sole authority to accept or deny recommendations of the Committee on behalf of the applicant EXCEPT in the case that town of Plainfield itself applies to the fund.
- Committee members, who have personal connections with an applicant or project, or other conflict of interest, will make those connections known to the Committee, and abstain from voting on those applications.
- Committee members agree that the personal information presented is to be considered confidential, until such time as an award is made and the information becomes public property.
- Committee members will serve for one-year terms.
- A quorum of 3 Committee members will be required to convene an official meeting of the PRLF committee. A full Committee will have five members.

- In accordance with provisions of the Equal Opportunity Act, the PRLF Committee will not discriminate in its lending practices on the basis of race, color, religion, sex, national origin, age, marital status, physical or mental handicap, or sexual orientation.

## **APPLICATION PROCESS**

Loan applications can be obtained at the Plainfield Town Office during normal business hours and at the town website ( [www.plainfieldvt.us](http://www.plainfieldvt.us) ). The Committee will process loan applications as they are received, but reserves the right to meet on a quarterly basis (approximately February 1, May 1, August 1, or November 1) should the number of applications increase significantly. Committee members will assist applications as needed to ensure the information is complete. If the application is considered to be incomplete, the Committee may request the applicant to submit more information for the next meeting. Currently, applicants can expect an answer within 60 days of receipt of a fully completed application. The applicant will be informed if the answer will require more than 60 days.

In emergency situations, the Committee may arrange special meetings with proper notice to the public.

**Please scroll down to the next page to begin the application.**

**PLAINFIELD REVOLVING LOAN FUND APPLICATION**

File Name: _____	<b>this section to be completed by committee</b>
Date: _____	
Application #: _____	
Loan Category: business _____ housing _____ community facility _____	

I. Applicant Name \_\_\_\_\_

Business Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone \_\_\_\_\_

Email address \_\_\_\_\_

Principles of the business (required of for-profit businesses only)

\_\_\_\_\_

\_\_\_\_\_

Home Mailing Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Home Telephone \_\_\_\_\_

Home Email address \_\_\_\_\_

2. Proposed use of funds (describe the project). Feel free to use a separate page.

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3. Amount Requested: \_\_\_\_\_

4. Use of Funds: \_\_\_\_\_ Estimates only

\_\_\_\_\_ Informal quotes from Contractors/ Suppliers

\_\_\_\_\_ Firm Bids from Contractors/ Suppliers

Labor Costs \_\_\_\_\_

Materials \_\_\_\_\_

Equipment \_\_\_\_\_

Fixtures \_\_\_\_\_

Land/ Building \_\_\_\_\_

Signs \_\_\_\_\_

Fees \_\_\_\_\_

Permits \_\_\_\_\_

Other \_\_\_\_\_ (attach page with details)

**Total \$** \_\_\_\_\_

5. Proposed Sources of Funds

Equity \_\_\_\_\_

Conventional Debt \_\_\_\_\_ Lender: \_\_\_\_\_ Approved? \_\_\_\_\_

Unsecured Loans \_\_\_\_\_

Other (explain) \_\_\_\_\_

Total Project \$ \_\_\_\_\_

6. Requested Repayment Period \_\_\_\_\_

7. Business Plan, if applicable, should be attached

8. Proposed Collateral (describe basis of value; attach additional sheets if necessary).

9. Will you obtain necessary Town and State permits before beginning construction? **Y / N**

10. Tell us briefly, in your own words, how your project will do any of the following:

- create, preserve or enhance jobs in Plainfield
- improve community facilities
- improve accessibility to people with disabilities
- aid in expanding or establishing a business — including agriculture
- promote or increase affordable and safe housing
- improve the appearance of the town of Plainfield, including historic preservation
- aid in an emergency repair to your home
- contribute in other ways to the town of Plainfield

11. Required Financial Information

*For-profit and Not-for-profit business:*

- \* attach balance sheets, income statements, changes in financial position, tax returns and any other financial statements available for the past 2 years.

*For-profit business*

- \* Include a complete personal/household financial statement from owners/principles of the business

*Individual*

- \* Include a complete personal/ household financial statement

NOTE: The committee may request further data after review of application.

**CONFIDENTIALITY:**

Please be aware that your application together with your supporting documents is technically considered public information and as such may be discussed at open meetings of the Selectboard, available to the media and will be on file in the town clerk's office.

However, unless requested by the Selectboard or media as outlined above, all documentation is kept in confidence by the Plainfield Revolving Loan Committee. The Selectboard can review all information provided by you but must deal with protected information in executive session which is private.

Any information from tax returns, personal financial statements or any business information which could put you at a competitive disadvantage is not considered public information and would not be discussed in open meetings nor available to the media.

Signature of Applicant: \_\_\_\_\_

Date:

Signature of Applicant: \_\_\_\_\_

Date: