

Local Revolving Loan Fund



Above: RLF loans are often used to assist in the revitalization of downtown buildings for small businesses.

The [Georgia DCA Finance website](http://www.dca.ga.gov), www.dca.ga.gov/community-economic-development includes a full listing of financial tools available, along with other program information. A program statistical summary is included on the back of this flyer.

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The Local Revolving Loan Fund (RLF) is created after a local government receives a Community Development Block Grant (CDBG) Employment Incentive Program (EIP) or Redevelopment Fund Program (RDF) grant. The RLF is then used for low interest loans, leases, or other activities to expand economic opportunities, principally for persons of low-and moderate-income.

Eligible Uses:

- Loans to private, for-profit entities, when appropriate to carry out an economic development project that:
 - * Creates/retains jobs for low-and moderate-income persons;
 - * Prevents or eliminates slums and blight; or
 - * Assists businesses that provide goods or services needed by, and affordable to, low-and moderate-income persons.
- Loans for activities carried out by public or private nonprofit entities (e.g. development authorities) including:
 - * Acquisition of real property;
 - * Acquisition, construction, reconstruction, rehabilitation, or installation of (i) public facilities (except for buildings for the general conduct of government), site improvements, and utilities, and (ii) commercial or industrial buildings or structures and other commercial or industrial real property improvements.

Loan Terms: Local policies determine interest rates for loan projects, which are below market, and generally fixed at 3%. Repayment period is typically three to ten years, depending on the asset financed.

Local Government Responsibilities:

- Maintenance of accounting and financial management system that complies with generally accepted accounting principals and DCA's guidelines for RLF financial management systems.
- Maintenance of a loan servicing and monitoring capacity to ensure that loan payments are collected, that loan covenants are enforced, and that loan security is maintained.

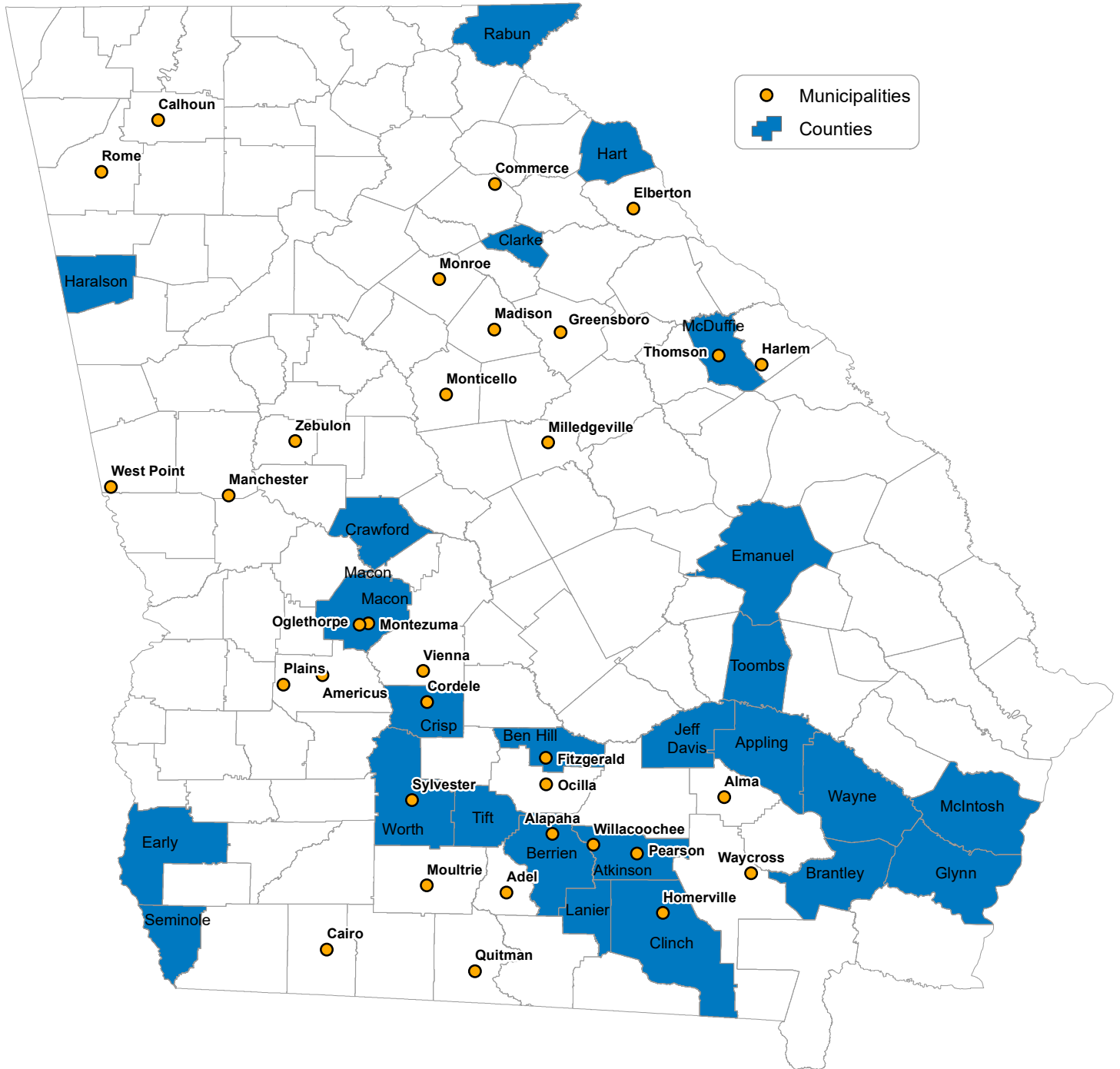
Administration and Servicing Fees:

Local governments may charge annual administrative costs of \$2,500 or 6% of the interest earned by the RLF, whichever is greater. The Loan Servicing Agent may charge a maximum annual fee of 1% of each RLF loan's periodic payment.

Reporting and Compliance Requirements:

- The local government is responsible for reporting its RLF financial status to DCA on a semi-annual basis.
- The semi-annual reports are due within 30 days of the June 30th and December 31st deadlines.
- The RLF is used to continue the same activity which generated the program revenue.
- The RLF's cash balance must not exceed \$125,000 or 30% of the total RLF assets, whichever is greater.
- The local government does not retain unused RLF assets any longer than the full term of the original EIP/RDF loan, or five (5) years, whichever is shorter.

A Revolving Loan Fund has been established in **58 communities** across Georgia



PROGRAM STATISTICS

58 - Total RLF Programs

\$34,461,880.95 - Total Assets

\$20,599,500.10 - Total Receivables

\$11,195,731.85 - Cash on Hand