

TOWN OF LYONS REVOLVING LOAN FUND AD HOC ADVISORY COMMITTEE
REVOLVING LOAN FUND
PROGRAM RULES AND STANDARDS

The Town of Lyons, through its Revolving Loan Fund (RLF) Ad Hoc Advisory Committee members (collectively the “RLF Committee”), is managing a USDA RLF grant fund and a locally funded Business Recovery Fund. The federal grant funds were awarded on a competitive basis to the Town of Lyons to use for economic development--more specifically, for business and expansion loans that may help to create additional employment in the Town of Lyons. When a business repays the loan, the funds are used to maintain a continuing loan program to make additional loans to businesses wishing to expand their business within the Town of Lyons.

WHO CANNOT APPLY

No member of the governing body, RLF committee, or any other official, employee, or agent of the Town of Lyons who exercises decision-making functions or responsibilities in connection with this program is eligible for financial assistance under this program.

WHO CAN APPLY

Applications may be submitted by the sole proprietor or authorized agent of any business wishing to establish a new operation or expand or sustain an existing operation in the Town of Lyons. Applicants shall not be disqualified based on age, race, religion, color, disability as defined in C.R.S. § 24-34-601, sex, sexual orientation, familial status, lawful source of income, marital status, ancestry or national origin.

ELIGIBLE ACTIVITIES

Eligible activities for RLF loans include but, are not limited to, the following:

- The acquisition of land, buildings, and/or fixed equipment.
- The installation of fixed equipment.
- Working capital.

INELIGIBLE BUSINESSES / ACTIVITIES

Ineligible businesses and activities for RLF loans includes, but is not limited to, the following:

- Speculative and/or real estate investment companies.
- Lending institutions.
- Gambling operations.
- Non-public recreation facilities.
- Medical & recreational dispensaries.
- Other businesses not serving the interests of the Town of Lyons.
- Refinancing or consolidating existing debt.
- Reimbursement for expenditures prior to loan approval.
- Specialized equipment that is not essential to the business operation.
- Building construction and/or reconstruction.
- Routine maintenance.
- Professional services such as feasibility and marketing studies, accounting, management services, and other similar services.
- Other activities that the Town of Lyons may identify as inappropriate for the RLF program.

MINIMUM REQUIREMENTS

To be eligible for funding, a proposed project shall meet all of the following minimum requirements:

- The applicant shall demonstrate that the proposed project is viable and that the business has the economic ability to repay the funds.
- Applicants shall comply with all applicable local, state, and federal laws and regulations.
- Project Completion. All projects shall be completed and all funds expended within 24 months from the execution of the date of the RLF loan agreement.

TERMS AND CONDITIONS

Loan terms and conditions shall be structured on the basis of need and the ability to repay.

Minimum standards include the following:

- Loan amounts are subject to the availability of program funds.
- The rate of interest may range from a minimum of 0% to a maximum of “market” rate (defined as the prime rate of interest, less 1%) obtained at the time the loan agreement is executed.
- Applicant will need to complete a loan application and sign a loan agreement, security agreement, and promissory note.

TERMS FOR LOANS

- Loans shall have a term of 12 months (one year) starting three months after the application is approved.
- The maximum loan amount will be \$20,000.
- Terms may not include longer amortization schedules with balloon payments. Amortization schedules shall be set up for monthly payments.
- There shall be no prepayment penalties.
- The applicant must have a **Town of Lyons business license** and operate the business in the 80540 primary planning area.
- The business must be in compliance with all federal, state, and local regulations and codes.
- The Town of Lyons and the RLF Committee may seek to have a collateral position to ensure that RLF loans are adequately secured. Inventory may not be used as collateral.

TO INQUIRE OR APPLY

Mail: Town of Lyons, EVC
RLF Ad-Hoc Committee
PO Box 49 Lyons CO 80540

Website address: <http://www.townoflyons.com> **PHONE:** 303.823.6622 ext. 35