

**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 (via principal and interest payments), these funds are used to maintain a continuing loan program within the local RLF 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:

- **Immediate COVID-19 Relief**
- The acquisition of land, buildings, and/or fixed equipment.
- The installation of fixed equipment.
- Working capital.
- Façade/interior improvement

**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 need 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**

\*Temporary changes have been made to the loan terms in response to COVID-19

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 will be 2% percent.
- Applicant will need to complete a loan application and sign a loan agreement, security agreement and promissory note.

## **TERMS FOR LOANS**

- Working capital loans shall have a maximum term of 12 months with 0% interest. The minimum amount of a working capital loan will be \$1,000 with a maximum amount of \$10,000. Due to COVID-19, there will be a grace period for all loans with the first payment being due three months after funding.
- 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.

## **FEES**

- Applicants will be required to pay an application fee of \$50 related to the loan.

## **TO INQUIRE OR APPLY**

Email completed applications or inquiries to: [kmitchell@townoflyons.com](mailto:kmitchell@townoflyons.com)

**Mail:** Town of Lyons, Community Programs & Relations  
EDC - RLF Ad-Hoc Committee  
PO Box 49 Lyons CO 80540

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