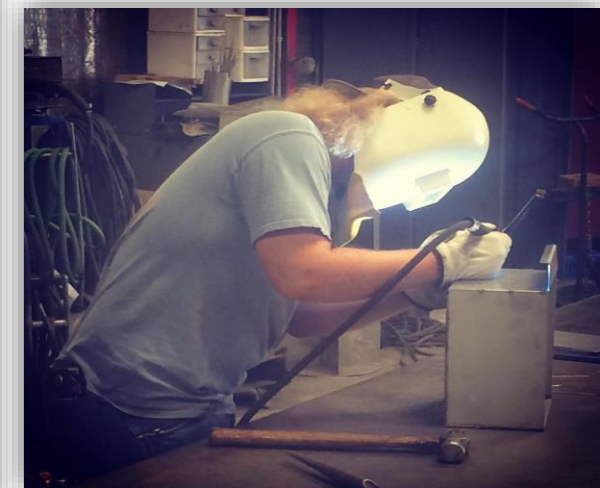


White River Planning & Development District, Inc.

Revolving Loan Fund Management

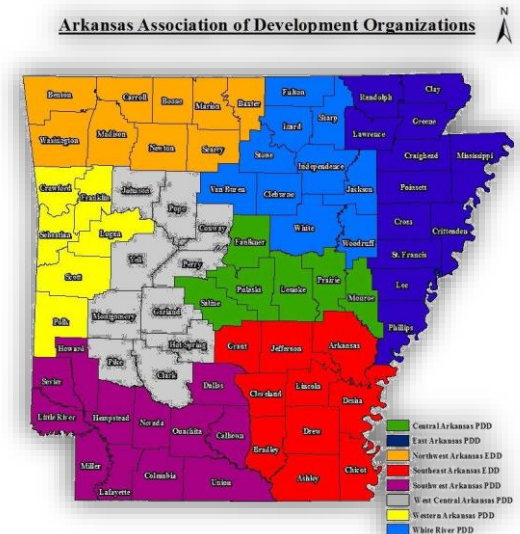


About Us



White River Planning & District, Inc.

- One of 8 Planning and Development Districts in Arkansas
- Non-Profit Organization recognized by the Arkansas Legislator in 1967



What Do We Do?



Assist local government with funding and administration and partner with new businesses and industries to promote economic growth.

- Community Development
- Economic Development
- Business Development and Loan Program
- W.I.O.A
- Child Care Resource and Referral
- Recycling Program

Who Do We Serve?



White River Planning and Development serves a 10 County Region with a total population of 237,844.

- Rural Arkansas
- 48% of the population from White Co.
- High poverty and economically distressed
- Work with city and county governments on community development projects
- Small Businesses
- Industries

Business Program



WRPDD has operated our Business Development Program since 1972. First providing technical assistance to businesses and eventually offering loans.

- Original Loan Fund Plan created in 1981
- EDA Revolving Loan Fund
- Technical Assistance and trainings for entrepreneurs
- USDA Intermediary Relending Program
- Rural Business Development Grants

Program Management



WRPDD is represented by a board of directors who relies on a loan fund committee for the RLF and IRP programs.

- Board of Directors is comprised of the 10 county judges and large city mayors
- The Loan Review Board is selected by the Board of Directors



Loan Committee Role



The RLF and IRP Loan Committee is responsible for final approval of all loans, loan modifications and waivers and approval of overall loan policy.

- Loan policy concerning the Revolving Loan Fund Plan is approved by the Review Board
- Board consists of a broad representation of community interests from both the public and private sector
- The Loan Committee must have a person with a background in finance or commercial lending with experience similar to small business lending
- A loan cannot be approved without a majority vote from the loan committee

Loan Daily Management



Loan functions and overall management are the duties of the Loan Officer, Executive Director and fiscal staff.

- The Loan Officer maintains the Revolving Loan Fund and IRP programs on a daily basis by providing technical assistance, processing loans and tracking payments with oversight as needed from the Fiscal Officer and the Executive Director.
- Loan officer also performs all reporting and loan accountability to funding agencies with help as needed from the Fiscal Officer.

Loan Fund Plan



WRPDD's Loan Fund Plan was first established in 1981. Since conception it has adapted to the District's needs.

- Loan fund plan was crafted by finance and commercial lending professionals
- Loan fund plan demonstrates correct policies and procedures for the District's Loan Funds
- Loan fund plan is updated yearly
- Board of Directors adopts by resolution any changes
- New plan submitted to EDA at least every 5 years

Loan Policy



The RLF is used to provide financing for retail, service, industrial, community development and manufacturing.

- Mostly direct loans
- Offer “gap and venture” financing
- Important to work closely with local bankers
- Repayment terms typically follow traditional loan terms
- Maximum loan may not exceed \$250,000 and minimum \$25,000
- Other financing must not be available on favorable terms and conditions to qualify

Funding Sources



Revolving Loan Fund (EDA) and Intermediary Relending Program (USDA)

- First Revolving Loan Fund Grant from EDA in 1982
- Second came in 1987
- IRP funds from USDA were obtained in the late 80s and 90s
- RLF and IRP programs function together as a program but are not intermingled
- IRP portfolio is larger but follows RLF Loan fund plan and policies

RLF (EDA) Funding



WRPDD's RLF is a small but targeted loan assistance program that is directed toward local businesses and industry.

- Total RLF funding from EDA was \$903,000
- \$1,200,000 added capital base for lending
- \$3,000,000 in repaid loans
- Typically receive 5-10 applications
- 15+ active loans at any time
- 131 Approved Loans
- All money is revolved funds

Loan Process



Meet with
WRPDD Staff

Submit Application
and Business Plan

Loan Review by WRPDD Staff

Review by RLF Committee (Approval or
Rejection)

Loan Funded

Repayment

Continuing Management



After the loan is disbursed and closed it is important to follow through with your clients and funding sources.

- Annual and semi-annual reports
- Site visits
- Technical assistance as needed
- Past due reminders
- Release of mortgages
- UCC Termination

RLF Success in Rural America

WRPDD's strategy is to target both new and existing businesses and industries.

Jobs created have been filled primarily by District residents.

Jobs	
Created	539
Saved	760
Av. Cost Per	\$4,807

Excel Boats

Excel Boats is the nation's premiere aluminum boat manufacturer located in Mountain View, AR.



Loan Amount: \$200,000
Jobs Created/Saved: 30



Batesville Regional Airport

BRA serves hundreds daily and houses private aviation and Medevac Training.



Loan Amount: \$150,000
Jobs Created/Saved: 8



Weller Welding

Due to local needs, Weller Welding's small family owned business has grown and needed more space to meet demand.



Loan Amount: \$95,000
Jobs Created/Saved: 6



Questions?

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