

CDFA EDA Revolving Loan Fund Training Course

“RLF Management”

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San Francisco, CA*



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Business Finance Manager



Business Development Corporation
— A CERTIFIED DEVELOPMENT COMPANY —

- CCD is a private/non-profit corporation formed in 1971.
- CCD is recognized as an Economic Development District for Coos, Curry & Douglas counties, Oregon.
- In 1981, the U.S. Small Business Administration (SBA) designated CCD a “Certified Development Company”, which enabled CCD to begin helping businesses with SBA financing programs. (1st CDC in Oregon)
- CCD manages finance programs: USDA, EDA, SBA and OBDF/State program)
- CCD manages (9) Enterprise Zones in Coos, Curry and Douglas Counties (Oregon)
- CCD provides services for Grant/Project Management and Administration.
- CCD provides staff and technical assistance to a number of entities within our service region.
- CCD administers the loan programs for the following entities: The Port of Bandon Economic Development Fund and The City of Drain

Our Mission: *To create a climate that encourages economic development that will retain existing jobs, create new jobs, diversify local economies, support existing industry and enhance the quality of life for the region's residents, as well as providing an atmosphere for personal growth for the employees.*

Our Vision: *CCD Business Development Corporation prepares the communities it services for economic growth by encouraging economic diversification, ensuring the availability of adequate infrastructure and responding, RATHER than reacting, to the needs of local governments and or retain the opportunity for a family wage job for all the region's residents.*

Board of Directors: *Are chosen from the membership by the members who are actively involved in encouraging economic development in CCD's area of operations (24 Member Board). Directors should have background/expertise in the following:*

- *Internal Controls*
- *Financial Risk Management*
- *Commercial Lending*
- *Legal Issues Relating to Commercial Lending*
- *Corporate Governance*

At least one director must represent the economic, community or workforce development fields. Directors may be either currently employed or retired. No single group shall control.

CCD's Board of Directors meets on a quarterly basis and is responsible for the actions of CCD and any committees established by the Board of Directors.

CCD's Board of Directors has established the following committees:

- *Executive Committee*
- *Budget Committee*
- *Loan Committee*
- *Nominating Committee*





Organizational Policies And Documents

- Articles of Incorporation and Bylaws
- Mission and Vision Statements
- Internal Control Policy
- Strategic Plan
- Loan Policy/Work Plan - which should also contain your loan servicing and loan liquidation policies.

Loan Policies and Procedures are Essential:

- Review and update annually (if possible)
- Training (Staff & Board of Directors)
- Know the Program Regulations
- Streamline Processes/Programs

CCD is committed to the principles of fair or equal opportunity lending. Underwriting standards will be applied fairly and consistently permitting access to credit for a broad range of customers. CCD will strive to meet specific goals for loans to women, minorities, and in support of EDA goals.



CCD's LENDING PROGRAMS:

- EDA Title IX Revolving Loan Fund, 1979 (39 yrs.) - *Historical Loan Activity: 139 Loans*
- SBA 504 Loan Program, 1982 (36 yrs.) - *Historical Loan Activity: 211 Loans*
- CCD manages a RLF program for the City of Drain, 1984 (34 yrs.) - *Historical Loan Activity: 11 Loans*
- Coos Curry Revolving Loan Fund, 1986 (32 yrs.) - *Historical Loan Activity: 37 Loans*
- US Forest Service Old Growth Diversity Fund, 1993 (25 yrs.) - *Historical Loan Activity: 31 Loans*
- USDA Intermediary Relending Program (IRP), 1995 (23 yrs.) - *Historical Loan Activity: 41 Loans*
- CCD manages a USDA IRP Program for the Port of Bandon Economic Development Fund, 1996 (22 yrs.) - *Historical Loan Activity: 39 Loans*
- Regional Strategies Multi-Region Program, 1997 (21 yrs.) - *Historical Loan Activity: 19 Loans*
- Assumption of a USDA Intermediary Relending Program (IRP), 2007 (11 yrs.) - *Historical Loan Activity: 31 Loans*
- RBEG Presidential Disaster Assistance Grant, 2009 (9 yrs.) - *Historical Loan Activity: 8 Loans*
- City of Drain RLF, 2013 (5 yrs.) - *Historical Loan Activity: 6 Loans*
- Assumption of a USDA Intermediary Relending Program (IRP), 2014 (4 yrs.) - *Historical Loan Activity: 7 Loans*
- Assumption of a USDA Intermediary Relending Program (IRP), 2016 (2 yrs.) - *Historical Loan Activity: 1 Loan*
- USDA Intermediary Relending Program (IRP), 2017 - *Historical Loan Activity: 6 Loans*

Featured CCD RLF Loan Project

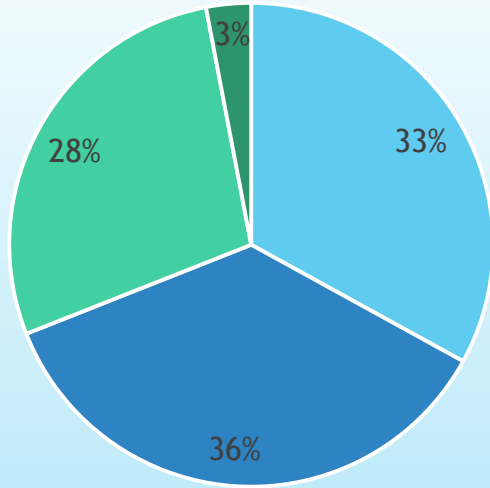


Face Rock Creamery
Bandon, Oregon

	Number of Loans	Loan Funds	Leverage of Funds	Jobs Created	Job Retained
Revolved Loans	235	\$27,449,156	\$749,753,589	2030	614
SBA Loans	211	\$118,054,939	\$308,998,900	2208	1910

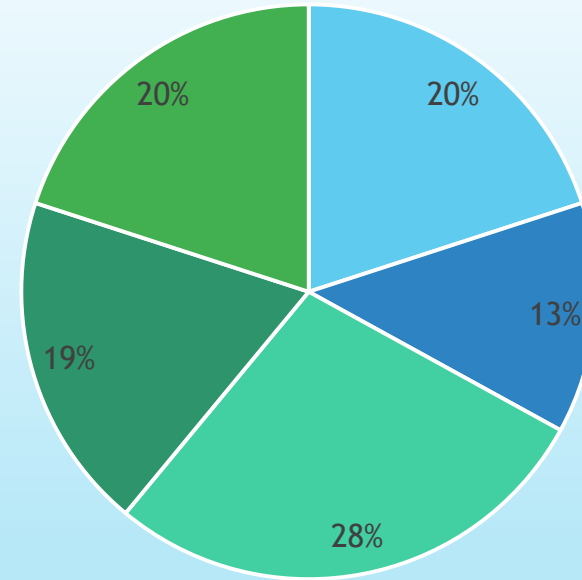


In-House Portfolio Grade



- 2 - Minimal Risk - 33%
- 3 - Acceptable Business Risk - 36%
- 4 - Special Mention - 28%
- 5 - Substandard - 3%

In-House Portfolio Based on Outstanding Loan Balance



- Under \$50,000 - 20%
- \$50,001-\$100,000 - 13%
- \$100,001-\$150,000 - 28%
- \$150,001-\$200,000 - 19%
- \$200,001-\$250,000 - 20%

CCD Has Made Loans To The Following Types of Businesses: (Start-ups & Existing Businesses)

- Restaurants
- Hotels/Motels
- Retail Businesses
- Beauty Shops/Spas
- Insurance Businesses
- Assisted Living Facilities
- Manufacturing Businesses
- Physicians/Dentists
- Veterinarians
- Service Businesses
- Automotive Businesses
- Non-Profit Businesses
- Coffee/Esspresso
- Repair/Maintenance
- Recreational Businesses

**No concentration in any particular industry within our in-house loan portfolio. Our SBA 504 portfolio has a concentration of 18% in the Hospitality Industry.*

Our Structure:

- Board of Directors (24 members):
 - Chair
 - Vice-Chair
 - Secretary
 - Asst. Secretary

- Staff (8 members):
 - Executive Director/CEO (Staff, Executive Committee & Budget Committee) - 17 yrs.
 - Business Finance Manager (Loan Department Staff, Loan Committee, & Packaging/Referral Partners) - 18 yrs.
 - Loan Servicing Specialist - 5 yrs.
 - Accounting Manager - 2 yrs.
 - Senior Community Development Director - 11 yrs.
 - Community Development Director - 7 yrs.
 - Communications Administrator - 1 yr.
 - Loan Officer - 8 yrs. (30+ yrs. industry Experience)

- Partners:
 - Lane Council of Governments (LCOG)
 - Oregon Cascades West Council of Governments (OCWCOG)
 - Del Norte Economic Development Corp.
 - Illinois Valley Community Development Organization
 - Southern Oregon Regional Economic Development, Inc. (SORED)



LOAN COMMITTEE: (9 Members)

CCD Business Development Corporation Bylaws have provided for the establishment of a Loan Committee. The delegation of its authority does not relieve the Board of its responsibility imposed by law or Loan Program Requirements.

The Loan Committee is reviewed and appointed annually by the Board of Directors. There is no limit on the number of consecutive terms a Loan Committee member can serve. At least 2 members must have commercial lending background.

The Loan Committee is delegated the authority to provide credit approval for loans up to \$2,000,000. Only the Executive Committee or Board of Directors may provide credit approval for loans greater than \$2,000,000.

The primary activities of the Loan Committee are as follows:

- *Makes final decisions on application for loans. (Servicing Requests)*
- *Decides whether to discount or otherwise sell notes held.*
- *Decides whether to call loans that are in default by virtue of delinquency or non-compliance with regulatory requirements.*
- *Decides whether to liquidate assets held as collateral.*
- *Reports regularly through staff to CCD Board of Directors, summarizing lending activities.*
- *Initiates or approves all procedural changes in the day-to-day lending operation.*

There must be no actual or apparent conflict of interest with respect to any actions of the Loan Committee or Board of Directors. The Board of Directors formally approves the actions of the Loan Committee that have occurred. A listing of the applications reviewed and the result is included in the minutes of each board meeting.

Remember: *“An RLF Loan will not make a bad loan good, but will make a good loan possible.”*

Featured CCD RLF Loan Projects



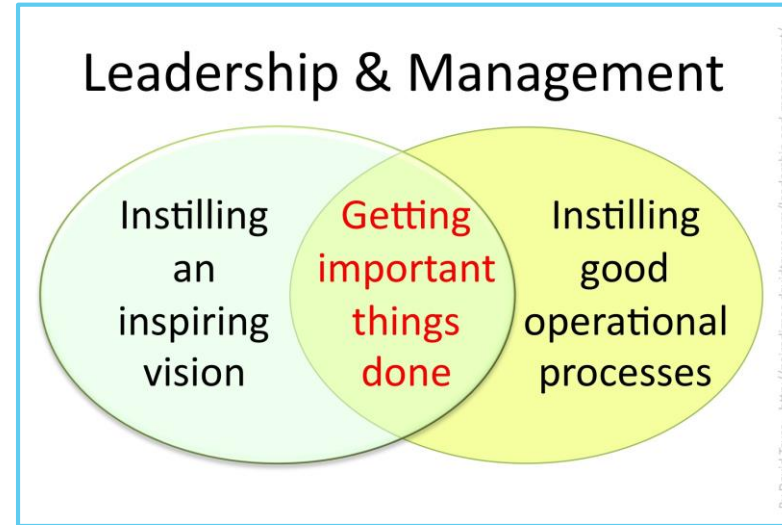
**State Farm Insurance
North Bend, Oregon**



**Pacific Air Comfort
Roseburg, Oregon**

SUMMARY:

- Policies & Procedures
- Staff/Board of Directors
- Training/Education
- Communication
- Build Relationships/Partners
- Be Creative/Flexible
- Promote Your Programs/Services



CCD Business Development Corporation Board and Staff is dedicated to helping small business owners get the financing they need to start or expand their businesses.

*Thank
you*



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Together We're Building The Future Through Responsible Economic Development.



Equal Credit Opportunity Lender