

Managing a Revolving Loan Fund

OUR MISSION

is to foster the economic growth of diverse small businesses within our

COMMUNITIES



Our Values

Advance
the mission

Enjoy your
work

Collaborate
openly

Support each
other

Take
responsibility

Colorado Lending Source in 2018

ALL LOAN PROGRAMS

Economic Impact	\$331,674,205.97
Loans Approved	221
Jobs Created	1,747

ECONOMIC IMPACT BY LOAN PROGRAM

Small Business Administration 504 Loans	\$265,823,135.63
Small Business Administration 7(a) Loans	\$56,276,991.46
Community Advantage Loans	\$4,030,400.00
Colorado Main Street Loans	\$5,543,678.90



112
Small Business Administration
504 Loans Approved



28
Colorado Main Street
Loans Approved



19
Community Advantage
Loans Approved



62
Small Business Administration
7(a) Loans Approved

Colorado Lending Source Loan Programs



SBA 504 Loan Program



SBA 7(a) Loan Program



Direct Small Loan Programs

Direct Small Business Loan Programs

Community Advantage Loans

- Loans range from \$50,000 to \$250,000
- Business must be considered an “underserved” market
- Use of funds can be used for a variety of business purposes
- The applicant must be referred by a lender who is unwilling to make a loan to the small business

Colorado Main Street Loans

- RLF Loans range from \$5,000 to \$50,000
- Character-based loans
- Use of funds can be used for a variety of business purposes including:
 - Startup expenses
 - Working capital
 - Business acquisition
 - Refinance debt

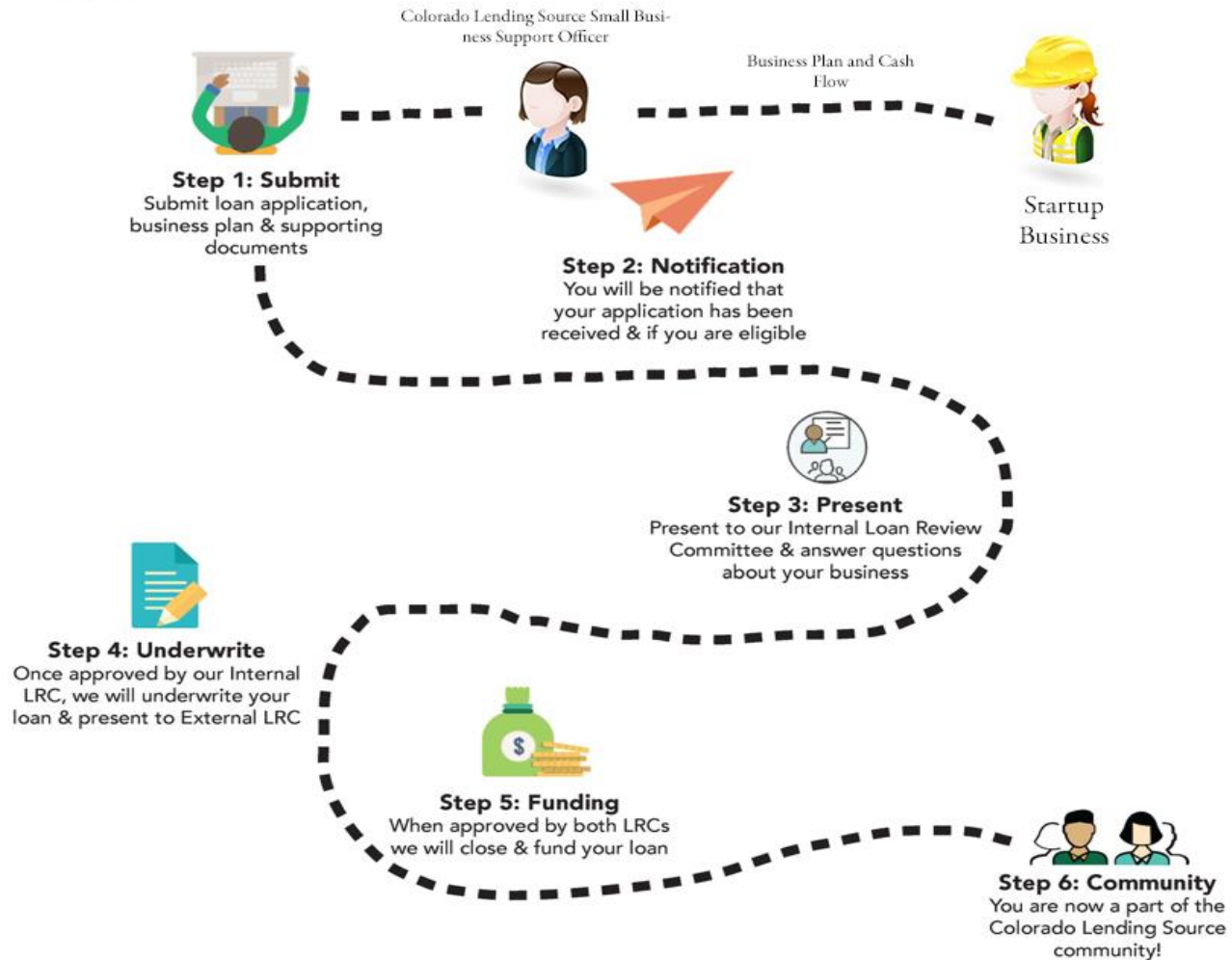
Colorado Lending Source

Existing Organizational Policies and Core Documents

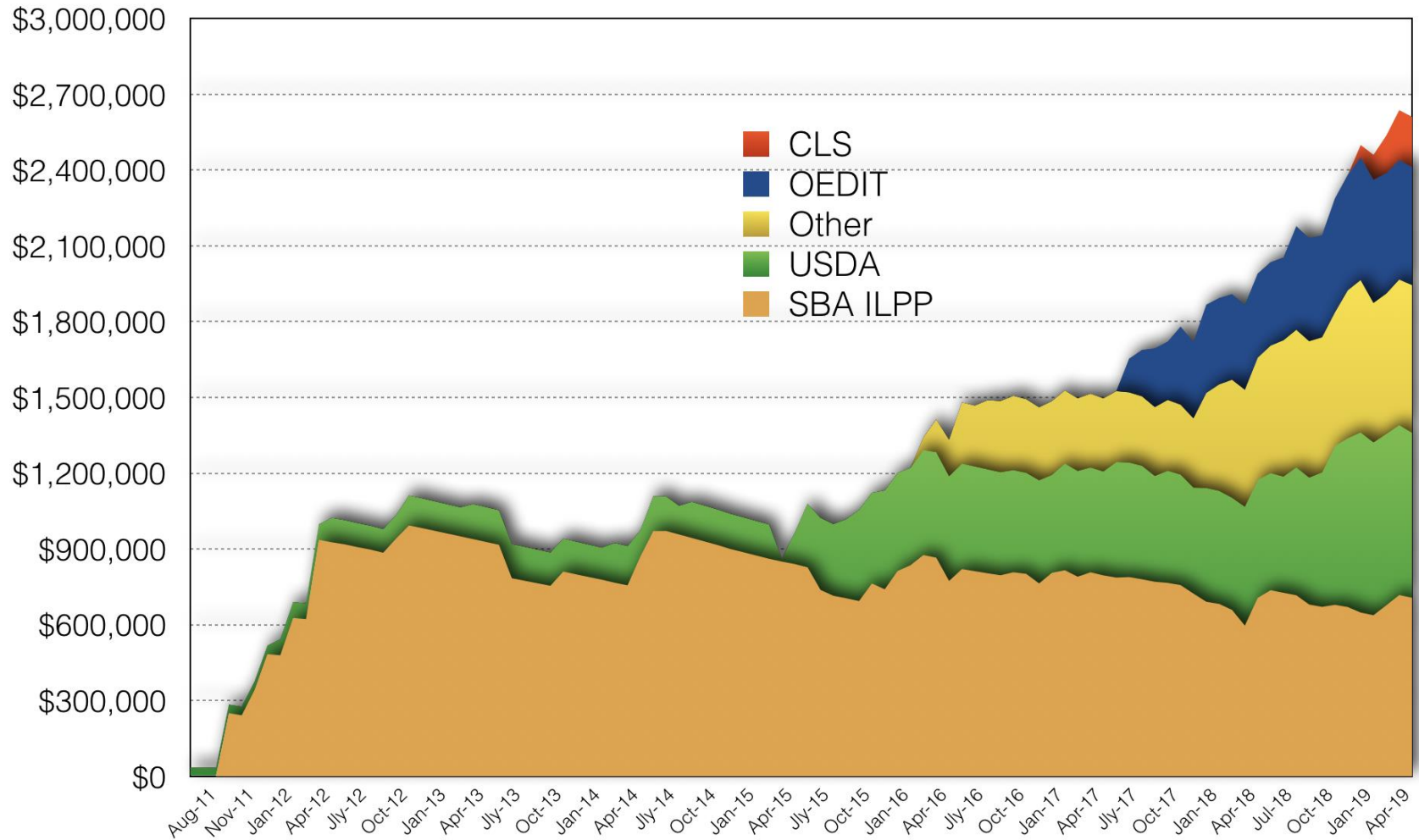
- Mission and Vision Statements
- Governance Policy
- Strategic Plan
- Internal Control Document
- Credit Policies
- Loan Servicing & Loan Liquidation Policies



Colorado Main Street Loan Process



Colorado Lending Source: Colorado Main Street Portfolio Monthly Total Principal Balances Outstanding (\$)





Colorado Main Street Loan Program

Activity report for the week beginning: 09/02/2019

Portfolio balances for the month ending: 07/31/2019

Loan Number Sequence Range:	Accion / Dream-Spring	Independent Bank Fort Collins	Colorado Lending Source	OEDIT			Kenneth King Foundation	Dakota Foundation	USDA IRP Revolved	USDA IRP RMAP	USDA IRP Southern	USDA IRP RDBG	SBA ILPP Revolved	Guaranty Bank	Citywide Bank	Xcelerate OGB				TOTALS	
	2000 - 2499	2500 - 2999	3000 - 3999	4000 - 4999	5000 - 5499	5500 - 5999	6000 - 6499	6500 - 6999	7000 - 7249	7250 - 7499	7500 - 7749	7750 - 7999	8000 - 8999	9000 - 9499	9500 - 9999	10000 - 10199	10200 - 10399	10400 - 10599	10600 - 10799		
Current Portfolio (#)	0	0	5	14			12	0	10	4	2	2	24	8	0	0				81	
Current Portfolio (\$)	0.00	0.00	196,464.46	481,465.88			404,742.14	0.00	338,662.67	237,818.81	66,813.12	93,103.66	695,851.46	173,430.47	0.00	0.00				\$ 2,688,352.67	
CLS Loan Loss Reserves (\$)	50,000.00	0.00	0.00	35,920.95			41,387.48	0.00	20,851.27	8,021.80	4,089.11	0.00	80,496.04	17,343.05	25,000.00	0.00				\$ 283,109.70	
CCR Loan Loss Reserves (\$)	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				\$ 0.00	
Total Loan Loss Reserves (\$)	50,000.00	0.00	0.00	35,920.95	0.00	0.00	41,387.48	0.00	20,851.27	8,021.80	4,089.11	0.00	80,496.04	17,343.05	25,000.00	0.00	0.00	0.00	0.00	\$ 283,109.70	
Memo: Funds not yet drawn down / lent out to businesses	0.00	0.00	50,000.00	0.00			0.00	0.00	0.00	155,000.00	175,000.00	0.00	0.00	0.00	225,000.00	0.00				\$ 605,000.00	
Memo: Revolved funds available to lend out to businesses	450,000.00	0.00	3,970.70	125,405.50	0.00	0.00	0.00	50,000.00	64,286.39	7,181.19	13,186.88	7,865.82	2,283.92	51,916.18	0.00	150,000.00				\$ 926,096.58	
Funds available to lend at the start of this month	450,000.00	0.00	53,970.70	125,405.50	0.00	0.00	0.00	50,000.00	64,286.39	162,181.19	188,186.88	7,865.82	2,283.92	51,916.18	225,000.00	150,000.00	0.00	0.00	0.00	\$ 1,531,096.58	
CMS Funding provided by CLS	0.00	0.00	250,000.00	0.00	0.00	0.00	0.00	0.00	150,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				\$ 400,000.00	
CMS Funding provided by other	0.00	0.00	0.00	600,000.00	0.00	0.00	0.00	0.00	300,000.00	0.00	0.00	0.00	0.00	0.00	0.00	150,000.00				\$ 1,050,000.00	
Current outstanding principal due to funding source	0.00	0.00	0.00	0.00	0.00	0.00	394,408.29	0.00	247,258.91	245,000.00	114,000.00	0.00	696,613.85	200,000.00	0.00	0.00				\$ 1,897,281.05	
History	Loans Approved (#)	0	0	6	17		14	0	23	5	2	3	45	12	1					128	
	Loans Funded (#)	0	0	5	14		13	0	21	4	2	3	43	12	1					118	
	Loans Funded (\$)	0.00	0.00	200,000.00	559,275.00		458,000.00	0.00	727,363.00	245,000.00	80,000.00	131,500.00	2,356,497.20	302,235.00	50,000.00					\$ 5,109,870.20	
	Av. Loan Size (\$)	0.00	0.00	40,000.00	39,948.21		35,230.77	0.00	31,624.48	49,000.00	40,000.00	43,833.33	52,366.60	25,186.25	50,000.00						\$ 43,303.98
	Loans Prepaid (#)	0	0	0	0		1	0	8	0	0	0	12	5	0						26
	Loans Prepaid (\$)	0.00	0.00	0.00	0.00		10,000.00	0.00	246,500.00	0.00	0.00	0.00	794,727.00	67,235.00	0.00						\$ 1,118,462.00
	Loans Charged Off (#)	0	0	0	0		0	0	3	0	0	0	7	0							10
	As a % of loans funded	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	14.29%	0.00%	0.00%	0.00%	12.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.47%
	Loans Charged Off (\$)	0.00	0.00	0.00	0.00		0.00	0.00	42,141.94	0.00	0.00	0.00	124,988.60	0.00							\$ 167,130.54
	As a % of loans funded	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.79%	0.00%	0.00%	0.00%	5.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.27%
Memo: Date the most recently charged off loan funded									04/08/16				06/27/16								



Summary of Colorado Main Street Loan Program Activity for This Calendar Year

		Applications	Not Processed	Internal Reviews	Internal OKs	External Reviews	External OKs	Loans Approved	Loans Funded
January	#	9	2	7	7	7	7	7	4
February	#	4	0	3	2	2	2	2	4
March	#	6	2	4	3	1	1	1	1
April	#	5	0	4	4	3	3	3	2
May	#	1	0	3	2	2	2	2	3
June	#	2	0	1	1	0	0	0	1
July	#	6	0	4	4	4	4	4	2
August	#	0	0	2	2	3	3	3	2
September	#								
October	#								
November	#								
December	#								
TOTALS	#	33	4	28	25	22	22	22	19

Economic Development Milestones (as a # and % of ALL funded loans)

<i>Brand New (not yet open)</i>		<i>In Business less but < 2 years old</i>		<i>Purchasing an Existing Business</i>		= Total NEW Small Businesses	80 / 67.80%
Rural Based	40 / 33.90%	Woman Owned	49 / 41.53%	Minority Owned	29 / 24.58%	Veteran Owned	7 / 5.93%
Millennial or Gen Z Owned	36 / 30.51%	LGBT Owned	1 / 0.85%	Exporter	4 / 3.39%	Manufacturer / Maker	22 / 18.64%
Disabled Owned	1 / 0.85%	LMI (Low to Moderate) Income Tract	33 / 27.97%	50%+ of Workforce live in LMI	3 / 2.54%	HUB Zone Area	26 / 22.03%
Underserved/ Distressed (FFIEC)	5 / 27.97%	Enterprise Zone Area	51 / 43.22%	NMTC Area	35 / 29.66%	Opportunity Zone	14 / 11.86%
Empowerment Zone (CDFI)	0 / 0.00%	Investment Area (CDFI)	42 / 35.59%	Population Loss Area (CDFI)	1 / 0.85%	Unemployment Area (CDFI)	1 / 0.85%

RLF Sources - USDA

- **Policies**

Some USDA, some Colorado Lending Source:

- **Pricing**

Adopted a fixed rate pricing of $P + 2\%$ (today = 7.25%)

- **Capacity**

(1) \$450k pool [lent out] + (2) \$200k pool [\$20k available] +
(3) \$131k grant [\$0 available] + [4] \$400k [\$200k lent out]

- **Internal Loan Review Committee**

Drawn from staff, on demand, 12 people

- **External Loan Review Committee**

Drawn from membership, on demand, 12 people

RLF Sources - USDA

PJs General Store Rush, CO

- Established business.
- Veteran-owned.
- Low income community
- USDA-RD IRP loan for \$35,000 (credit card refinance and purchase propane tank) – first loan approved! This was approved in June and funded in July of 2011.



RLF Sources - SBA ILPP

- **Policies**
Some SBA, some Colorado Lending Source:
- **Pricing**
Adopted a fixed rate pricing of 8.75%
- **Capacity**
\$1 million pool [lent out]
- **Internal Loan Review Committee**
Drawn from staff, on demand, 12 people
- **External Loan Review Committee**
Drawn from membership, on demand, 12 people

RLF Sources - SBA ILPP

Special Times Limousine Hudson, CO

- Pure start-up business
- Veteran-owned
- An SBA ILP Loan for limo and start up working capital) approved in February 2012 and funded in March of 2012.
- Hired 9 people and leased an office all in the first seven months of operations!



RLF Sources – Bank + Foundation(s)

- **Policies**

All Colorado Lending Source:

- **Pricing**

Adopted a fixed rate pricing of 8.75%

- **Capacity**

(1) \$250k pool [lent out] + (2) \$100k pool [lent out] + (3) \$250k pool [lent out] + (4) \$800k (available)

- **Internal Loan Review Committee**

Drawn from staff, on demand, 12 people

- **External Loan Review Committee**

Drawn from membership, on demand, 12 people

RLF Sources – Bank + Foundation



Manufacturing Watches with **Vortic Watch CO.**

RLF Sources – State

- **Policies**

Based on Colorado Lending Source. Rural focus (minimum 40%) and Outdoor Recreation industry emphasis.

- **Pricing**

Adopted a fixed rate pricing of Prime + 2.0%

- **Capacity**

\$400k pool [lent out] + \$200k pool [\$100k lent out] + \$200k [pending]

- **Internal Loan Review Committee**

Drawn from staff, on demand, 12 people

- **External Loan Review Committee**

Drawn from membership, on demand, 12 people

RLF Sources – State



Inventory Purchase & Working Capital: \$50,000 | Jobs Created: 5

Colorado Lending Source

Partnerships

Educational Outreach (Ice House)

Startup Week

Wright Awards

Trout Tank

Western Slope Office

(all of which translate into)

**BECOMING AN INTEGRAL PART OF THE ENTREPRENEURIAL ECO SYSTEM IN
COLORADO**

A photograph of two men in a workshop or office setting. The man on the left is wearing a grey and maroon zip-up jacket and dark jeans. The man on the right is wearing a grey t-shirt, dark pants, a blue and red baseball cap, and glasses. They are both smiling and looking at a small object held by the man on the right. In the background, there are workbenches, a computer monitor, and a poster on the wall. In the foreground, there is a large roll of material on a table with some printed items.

QUESTIONS?

Mike O'Donnell