

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

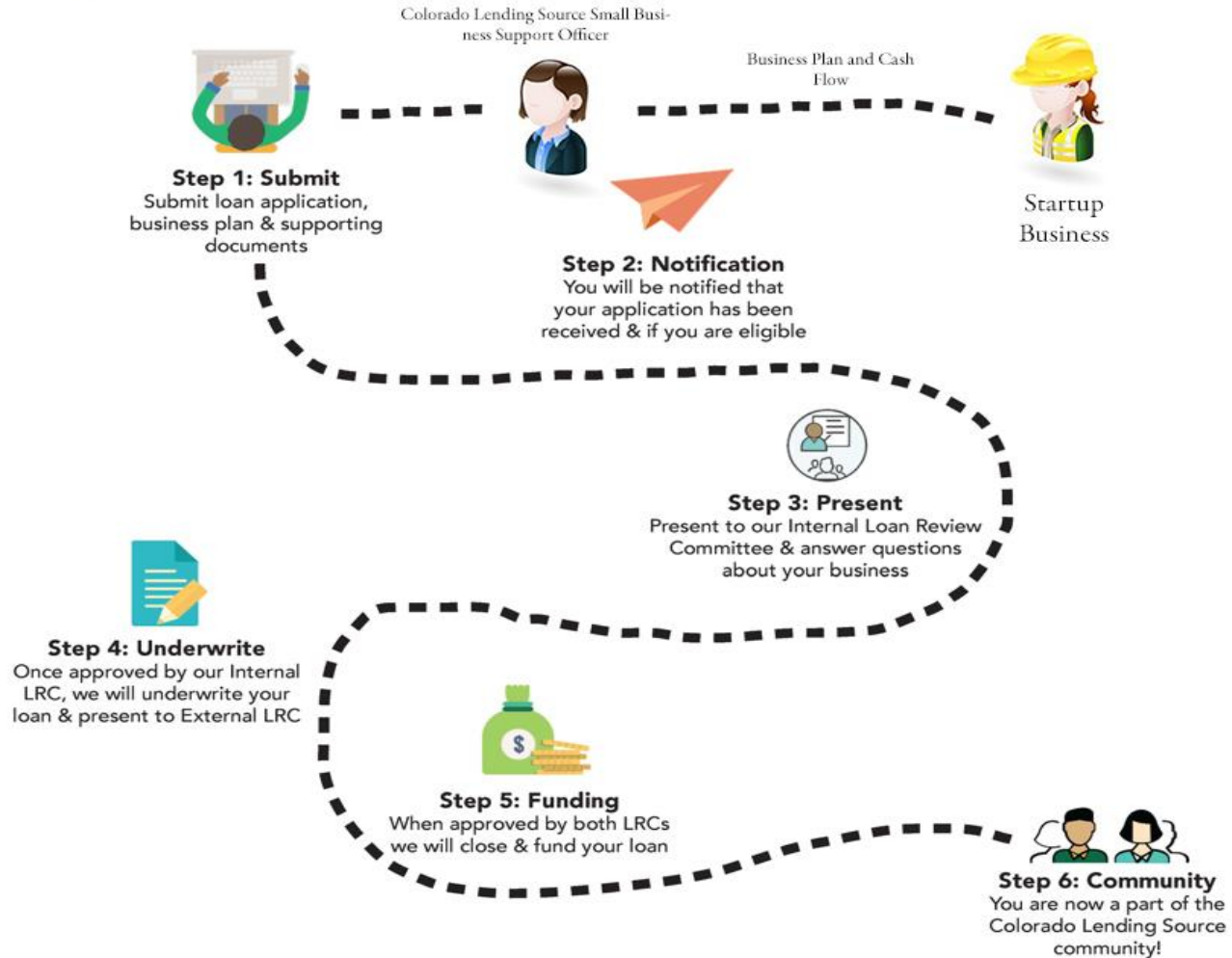
Colorado Lending Source

Existing Organizational Policies and Core Documents

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

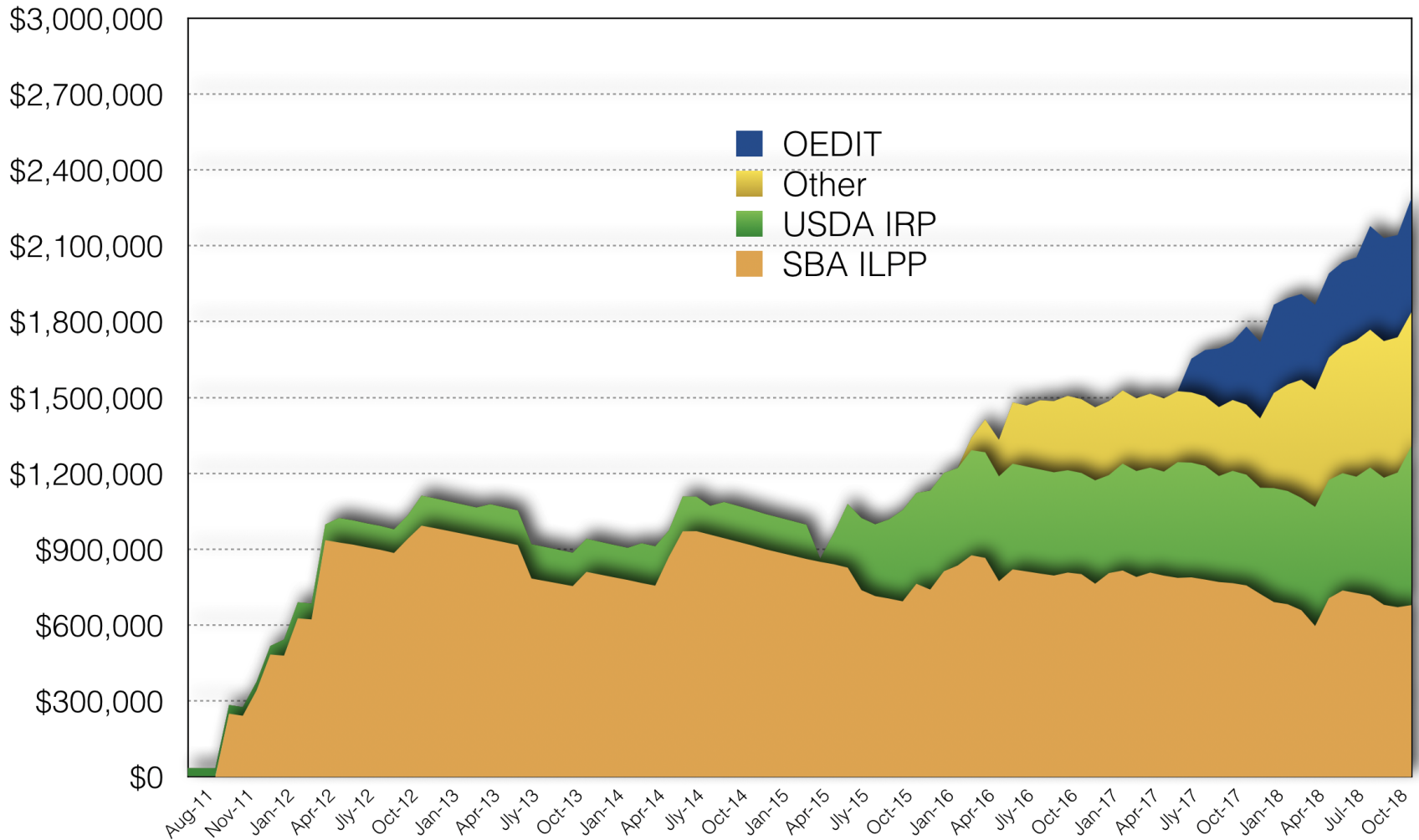


Colorado Main Street Loan Process



Colorado Lending Source: Colorado Main Street Portfolio

Monthly Total Principal Balances Outstanding (\$)





Colorado Main Street Loan Program

Activity report for the week beginning: 04/08/2019

Portfolio balances for the month ending: 02/28/2019

Overview of the Colorado Main Street Loan Program

	CLS	OEDIT		Kenneth King	USDA IRP Revolved	USDA IRP RMAP	USDA IRP Southern CO	USDA IRP RDBG	SBA ILPP Revolved	Guaranty Bank	TOTALS
Loan Number Sequence Range:	3000 - 3999	4000 - 4999	5000 - 5999	6000 - 6999	7000 - 7249	7250 - 7499	7500 - 7749	7750 - 7999	8000 - 8999	9000 - 9999	
Loans Approved (#)	4	14		11	23	2	2	2	44	11	113
Loans Funded (#)	3	13		11	21	2	2	2	41	11	106
Loans Funded (\$)	\$ 100,000	\$ 498,275		\$ 343,000	\$ 727,363	\$ 100,000	\$ 80,000	\$ 100,000	\$ 2,256,497	\$ 290,235	\$4,495,370
Av. Loan Size (\$)	\$ 33,333	\$ 38,329		\$ 34,300	\$ 34,636	\$ 50,000.00	\$ 40,000	\$ 50,000	\$ 55,037	\$ 26,385	\$42,944
Loans Prepaid (#)	0	0		0	7	0	0	0	12	1	20
Loans Prepaid (\$)	\$ 0	\$ 0		\$ 0	\$ 211,500	\$ 0	\$ 0	\$ 0	\$ 794,727	\$ 6,300	\$1,012,527
Loans Charged Off (#)	0	0	0	0	2	0	0	0	7	0	9
As a % of loans funded	0.00%	0.00%	0.00%	0.00%	10.00%	0.00%	0.00%	0.00%	17.10%	0.00%	9.09%
Loans Charged Off (\$)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,959	\$ 0	\$ 0	\$ 0	\$ 124,989	\$ 0	\$152,948
As a % of loans funded	0.00%	0.00%	0.00%	0.00%	3.84%	0.00%	0.00%	0.00%	5.54%	0.00%	3.40%
<i>Memo: Date the most recently charged off loan originally funded</i>	n/a	n/a	n/a	n/a	05/17/2016	n/a	n/a	n/a	06/27/2017	n/a	
<i>Memo: Current outstanding principal due to funding source</i>	\$ 0	\$ 0		\$ 312,404	\$ 257,526	\$ 150,000	\$ 64,000	\$ 0	\$ 723,777	\$ 200,000	\$ 1,707,707
Current Portfolio (#)	2	11		11	12	3	2	2	22	10	75
Current Portfolio (\$)	\$ 100,000.00	\$ 485,292.94		\$ 362,840.20	\$ 396,927.42	\$ 149,228.32	\$ 69,641.29	\$ 97,439.61	\$ 648,534.39	\$ 205,225.82	\$2,515,129.99
Funds set aside for Loan Loss Reserves (\$)	\$ 0.00	\$ 26,996.69		\$ 36,284.00	\$ 32,081.05	\$ 5,003.12	\$ 4,178.48	\$ 0.00	\$ 79,775.41	\$ 18,223.06	\$202,541.81

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	74 / 71.15%	Manufacturer / Maker	22 / 21.15%
Rural Based	35 / 33.65%	Woman Owned	42 / 40.38%	Minority Owned	23 / 22.12%	Veteran Owned	5 / 4.81%	Disabled Owned	1 / 0.96%
Millennial Owned	30 / 28.85%	LGBT Owned	0	Exporter	3 / 2.88%	Impacted by Restructuring	0	Enterprise Zone Area	45 / 43.27%
HUB Zone Area	23 / 22.12%	Low to Moderate Income Tract	29 / 27.88%	50%+ of Workforce in LMI	2 / 1.92%	NMTC Area	30 / 28.85%	Opportunity Zone	13 / 12.50%
Underserved/Dis-tressed (FFIEC)	5 / 4.81%	Population Loss Area (CDFI)	5 / 4.81%	Empowerment Zone (CDFI)	0	Investment Area (CDFI)	40 / 38.46%	Unemployment Area (CDFI)	1 / 0.96%

RLF Sources - USDA

- **Policies**

Some USDA, some Colorado Lending Source:

- **Pricing**

Adopted a fixed rate pricing of $P + 2\%$ (today = 7.5%)

- **Capacity**

(1) \$450k pool [lent out] + (2) \$200k pool [available] + (3) \$131k grant [\$81.5k available] + [4] \$400k [50% 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]

- **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 (“in the mail”)

- **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