

## OBJECTIVE

Located in Lake Mills, Iowa, WCTA has played an active role in the development of rural Iowa and Minnesota. With this Revolving Loan Fund WCTA is seeking to improve the quality of life in rural areas by contributing to the long-term improvement of the economy, including job creation and retention, diversification of the economy, improving the education and skills of the rural workforce, and upgrading the public infrastructure to improve the health, safety, and/or medical care of rural residents.

## REVIEW CRITERIA

The loan review committee will consider the financial need of the project, the probability of success, the security offered, and the overall benefits of the project to rural areas, including the number of jobs to be created or retained, diversification of the economy, the extent of the upgrading of the skills of the rural workforce, the quality of the jobs in terms of pay scale and benefit package, and, for community development projects, improvements to the community infrastructure, facilities, and/or acquisition of equipment that improves the education, health, safety, and/or medical care of rural residents.

## LOAN PURPOSES

Uses of RLF loan proceeds may be for land, buildings, manufacturing machinery and equipment, office and work equipment or infrastructure improvements. Working capital loans will only be considered in conjunction with the purchase of other assets as previously specified.

## Revolving Loan Fund

Doing More to Help Promote  
Economic Development in our  
Communities



*The USDA and WCTA are equal opportunity providers, employers, and lenders.*



www.wctatel.net | 1-800-592-6105  
704 E Main Street, Lake Mills



# LOAN FUNDS

*The loan of "Federal Funds" can be made to eligible entities for qualifying community development or community facility projects in rural areas of the State of Iowa and Minnesota.*

**Eligible entities** for funds include, but are not limited to: Corporations, Limited Liability Companies, Partnerships, Sole Proprietorships, Cooperatives, Nonprofit Entities, Governmental Units, and Federally-recognized Tribal Authorities.

**Qualifying projects** include community development or community facility projects which correspond to one or more of the following targets:

- *Create or save employment; are open to and serve all rural residents; and are owned by the ultimate recipient of funds.*
- *Business incubators.*
- *Facilities and equipment which provide education and training to residents of rural areas to facilitate economic development.*
- *Projects that utilize advanced telecommunications or computer networks to facilitate medical or education services or job training.*
- *Project feasibility studies and technical assistance.*

**Interest Rate:** The loan of the Federal Funds will not exceed the prevailing prime rate published in the Wall Street Journal the day of loan closing and will be determined based on the application evaluation.

**Administration Fee:** An annual loan servicing fee of up to 1% of the unpaid principal loan balance may be charged for loan administration.

# LOAN GUIDELINES

## Minimum/Maximum Loan Amounts

The minimum RLF loan will be \$10,000 and the maximum loan is the total amount of funds available in the RLF.

## Supplemental Financing Requirements

RLF projects must include a minimum of 20% funding from other sources. Greater leveraging of outside resources will enhance the approvability of a RLF loan request.

## Closing Costs / "Out of Pocket" Expenses

The RLF may charge loan recipients for loan closing costs, attorney fees, filing fees, etc., as necessary to complete loan documentation.

## Loan Terms

The terms of an RLF loan shall not exceed 10 years. Loan deferments of up to 2 years may be considered.

## Security/Collateral

The loan recipient will work to obtain security that is adequate for the term of the loan. The loan recipient will be required to maintain fire insurance, and flood insurance if necessary on secured assets.



# APPLICATION

Applications will be accepted at the WCTA office during our normal business hours of 8:00am - 4:30pm, Monday through Friday. WCTA is located at 704 E. Main St, Lake Mills IA 50450.

A Loan Review Committee representative will respond to the loan applicant regarding their initial loan application within 30 days of submission and again in 90 days with WCTA's final decision.

For more information, please visit:

[www.wctatel.net/community/wcta-revolving-loan-fund/](http://www.wctatel.net/community/wcta-revolving-loan-fund/)

