



Raccoon Valley Electric Cooperative

A Touchstone Energy® Cooperative



Reliable • Affordable • Responsible

REVOLVING LOAN FUND

Purpose

Raccoon Valley Electric Cooperative (RVEC) takes an active role in the development of rural Iowa. RVEC has provided not only leadership, but financial participation in economic and community development.

RVEC Board of Directors established the Revolving Loan Fund in 1996 to provide a local resource for low interest loans. Non-profit community groups and private businesses with qualifying projects are eligible to apply.

With the Revolving Loan Fund (RLF), RVEC seeks to improve the quality of life in rural areas by contributing to the long-term improvement in the economy. Job creation and retention, diversification of the economy, and improving the education and skills of the rural workforce will occur in Western Iowa with assistance from the Raccoon Valley Electric Cooperative Revolving Loan Fund.



Let Raccoon Valley Electric Cooperative's Revolving Loan Fund assist your next business expansion!

For more information and to request an application, contact:
Jim Gossett
Raccoon Valley Electric Cooperative
712.659.3649 – jimg@rvec.coop

Program Guidelines

1. RVEC will accept and consider applications for loans from the RLF for projects that will significantly benefit rural areas, without restriction to RVEC's service area.
2. The RLF is not intended to compete with other public and private lenders. The RLF will collaborate with other lenders to provide the financial package necessary to advance the project.
3. The minimum RLF loan will be \$10,000. A minimum of 20% of the project cost must come from other sources.
4. The interest rate on loans will vary depending on the current prime rate, project impact, and the need of the applicant.
5. All loans must be secured, and a first collateral position is desired. Lesser security positions may be approved if necessary to the success of the project.
6. All applicants for RLF funding will be required to complete an application form and provide corresponding business plan demonstrating that the proposed project is economically feasible, sustainable, and will provide economic benefits to rural areas, either through job creation or capital improvements.
7. RVEC will not condition the approval of a loan from the RLF with the requirement that the prospective recipient purchase electrical service from RVEC or any other electrical utility.
8. All information regarding RLF loan requests will at all times be kept confidential by the members of the RVEC board, the loan review committee, and RVEC staff. If necessary, the RLF may seek the advice and counsel of outside consultants and sources in order to adequately perform due diligence regarding the project.
9. The Board of Directors of RVEC is the sole authority for approval or denial of loans from the RLF and is responsible for all decisions and actions of the RLF.
10. To avoid potential conflicts of interest, or the appearance of a conflict of interest, an RLF loan will not be made to any board member, officer, general manager, or supervisory employee of RVEC or close relative thereof, or to any RVEC subsidiary or affiliated organization in which RVEC has a financial interest.

Business Revolving Loan Fund

Eligible projects for business loans can include any business venture, governmental public body, or non-profit entity involved in a community or economic development project that creates or saves jobs and/or provides needed community facilities that benefit rural areas in the State of Iowa.

Application projects must create or retain employment or provide needed community facilities and services:

- Industrial/Commercial Development
- Small Business Expansion or Startup
- Community Infrastructure
- Community Facilities
- Medical Facilities
- Training/Educational Facilities

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.

Terms: Ten year term. Interest rates will vary depending on prime rate. Generally 2-4%.

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

Community Development Loan Fund

RVEC provides the local match for USDA Rural Economic Development Loan & Grant (REDLG) loans made to eligible entities for qualifying community development or community facility projects in rural areas of the State of Iowa.

Eligible entities for initial funds include: non-profit organizations, and public bodies.

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.
- Facilities and equipment which provide education and training to residents of rural areas that facilitate economic development.
- Facilities and equipment to provide medical care to residents of rural areas.
- Projects that utilize advanced telecommunications or computer networks to facilitate medical or education services or job training.
- Project feasibility studies and technical assistance.

Terms: Ten year term at zero percent.

Special Loan Limits—Residential Housing Projects - Recognizing the link between economic development, workforce availability and housing development and in accordance with USDA program limits, up to 20% of the RLF may be used for residential housing projects. Consumer financing of a residence is not permitted.

This institution is an equal opportunity provider and employer. To file a program discrimination complaint, complete a Form, AD-3027, USDA Program Discrimination Complaint Form, Which can be obtained online at <https://www.ocio.usda.gov/document/ad-3027> from any USDA office, by calling (866)632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of the alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.