City of Fremont
Revolving Loan Fund Requirements

Please read carefully before completing an application.

State and federal guidelines require that certain stipulations must be met for revolving loan fund (RLF) projects to go forward. Please read the following list of requirements to ensure that your application is complete and that your project can meet these requirements.

The State's CDBG Economic Development application must be filled out completely. Further, it must contain additional information including:

(a) For every fixed cost in the project, a "third party cost certification" (signed estimate from a contractor, architect, or engineer; vendor's equipment price quote, etc.)
(b) Evidence that all non-RLF funding in the project (banks, equity, etc.) is committed and maximized. A letter will suffice for loans or bank financing and a bank statement will document equity. Financing commitment letters must disclose interest rate, terms, conditions, and security position.
(c) For existing businesses, statements for the past three years.
(d) Projections for the next three years. Include debt service on the proposed RLF loan and any other loans. Projections must include profit and loss statements and a balance sheet (assets and liabilities).
(e) The projections must show that the funds and the requested RLF interest rate/term are needed.

Additional information may be helpful for loan approval. This includes resumes of principal(s), information on product and market, and a business plan. For start-up businesses, this information is required in order to help the RLF Board reach an informed decision. Free assistance in developing business plans/financial statements is available through the North Central Small Business Development Center in Fremont. Contact Mr. Bill Auxter at (419) 332-2882.

Your project must meet the following minimum criteria:

(a) One full-time equivalent (FTE) job must be created/retained for every $25,000 loaned. (The less funding requested per job created/retained, the better).
(b) One dollar minimum of other funding must match every RLF dollar. Equity must be at least 10 percent of the total project cost.
(c) At least 51% of the jobs created/retained must be targeted to persons from low- to moderate-income (LMI) households. A form must be provided for each job certified. An alternative to employee-completed job certifications can be discussed (agency screening).
(d) All household income is included in the LMI calculation. Sandusky County, City of Fremont current LMI income limits are:

HUD Section 8 Income Guidelines – Sandusky County, Ohio **Effective 4/18/2022**

Household Size	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
Income Limits	$41,650	$47,600	$53,550	$59,500	$64,300	$69,050	$73,800	$78,550

(e) Project must be located within the City of Fremont
(f) Project must not involve relocation of any jobs within Ohio, or business must inquire about potential for a waiver.
(g) Eligible fixed asset costs include real estate, construction of buildings, and on-site improvements, machinery & equipment (usually with a life of 5+ years).
(h) Speculative projects are ineligible.

You must clearly document your need for RLF funding at the requested interest rate and terms by providing evidence that the project cannot go forward without RLF funds.

If construction is financed by the RLF (construction costs $2,000+), federal (not Ohio) prevailing wage rates must be paid by the contractor. Payroll reports and laborer interviews are required for documentation.

All projects are subject to environmental review procedures, which require approximately one month or longer, depending upon the complexity of the project.

If your project is funded, you will be required to sign a loan agreement which will include security and collateral agreements similar to a bank loan. These documents could include:
(a) A project agreement, including job creation and project goals
(b) A promissory note
(c) Security agreements such as equipment liens (UCC) and/or a subordinated mortgage
(d) A personal guarantee and/or key man life insurance
(e) On building deals, hazard liability insurance with the City of Fremont listed as loss payee
(f) A corporate guarantee
(g) A corporate guarantee of completion

Project involving acquisition of real estate will require certain federally mandated procedures. Consult the RLF administrator prior to entering into any agreement for real estate acquisition.

If your project is funded, the following will be required:
(a) Evidence of total project expenditures, as proposed (invoices & cancelled checks)
(b) Payroll reports and job certification forms
(c) Quarterly financial statements will be required during the loan period for start-up businesses. Annual financial statements will be required for all other projects.

Applicants may be subject to personal credit reviews.

There is a One Hundred Dollar ($100.00), non-refundable fee payable when the RLF application is completed and returned.

A City-designated RLF Board will meet to review the completed application and will notify you within two weeks that the application has been approved or denied or that more information is needed.

Once an application is approved, closing binder documents will be prepared, submitted for your review, and executed after or in conjunction with bank/financial institution loan closing. Once the project has cleared ALL approvals including the closing and environmental review clearance, you will be notified that the project can begin. No part of the project can proceed until you have been notified.

If you have any questions, please contact:

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Updated: April 2022