

Whitewater Community Development Authority
Loan Fund
Policy Manual

Updated as of March 2026

SECTION 1. GENERAL PROVISIONS

1.1 Purpose

The purpose of the policies and procedures contained in this manual is to outline the nature and scope of the funds made available through the Community Development Authority of the City of Whitewater and to assist potential loan applicants seeking these low interest loan funds for their projects. The policy manual will be collectively referred to as the Loan Fund. The City, through the Community Development Authority, will make loans to stimulate investment in the City.

1.2 Program Objectives

The goal of the Program is to encourage the startup of new businesses and the expansion of existing businesses. The Fund will make low interest loans to new and existing businesses. Funds will be invested into businesses located in, or those that will locate within, the City of Whitewater.

Industry sectors of focus will include, but are not limited to: Advanced Manufacturing, Agriculture/Food Processing, Information Systems/Software, Medical Device, and Renewable/Green Energy.

The fund will not work with businesses whose primary market is direct to consumer purchase retail, real estate, or hospitality, including restaurants. Funds may not be used to support expenses related to the relocation of a business between communities in Wisconsin.

Funds made available through the program are intended to perpetuate a positive and proactive business climate. Activities assisted with program funds must address one or more of the following:

- Encourage new private investment in the City of Whitewater.
- Support a diverse mix of employment opportunities and minimize seasonal or cyclical employment fluctuations.
- Encourage the development and use of modern technologies that increase productivity and efficiency.
- Support the elimination of blight and encourage urban redevelopment.

1.3 Amendments

The Whitewater CDA may from time to time amend the policies and procedures contained in this document.

1.4 Award of funds does not guarantee plan approvals

The award of a Loan Fund loan does not warrant or guarantee approval of the project by the City of Whitewater Common Council or the Whitewater Plan & Architectural Review Commission. The approval is only for the Loan Fund program.

SECTION 2. OVERSIGHT AND ADMINISTRATION

2.1 Loan Fund Administration

The Board of Directors of the City of Whitewater Community Development Authority (CDA) has designated the CDA Executive Director to serve as the Fund Administrator. The Executive Director may delegate such duties or any related tasks to the Economic Development Coordinator or another employee of the Community Development Department of the City of Whitewater.

The Fund Administrator explains the program to prospective applicants, provides written information, assists applicants in completing applications, and processes requests for financing. The Administrator, when necessary and appropriate, will counsel or guide applicants to other more appropriate technical or financial resources when the applicant has needs beyond those which may be met through this program.

The Fund Administrator will periodically review all financial statements and loan amortization schedules as well as review and approve documentation of business expenditures financed with the Loan Funds.

The Fund Administrator will maintain all records for the Loan Fund.

The City Attorney is responsible for creating all documents necessary to execute the loan and is involved as needed on any actions necessary to remedy deficiencies or defaults. The City Attorney may delegate these tasks to a third-party attorney or firm at their discretion.

2.2 Loan Review Committee Meetings

The Loan Review committee will comprise a portion of members from the CDA. All meetings for the committee will be held on an as needed basis. Pursuant to section 19.84, Wisconsin Statutes, all members will be given prior notice of each meeting. A majority of the Committee in attendance at a meeting will constitute a quorum which is required for official action. Official actions must have the support of a simple majority of the full membership of the Board.

As permitted in section 19.84, Wisconsin Statutes, the Board may adjourn into closed session to discuss matters. This must be duly noted on the meeting agenda.

2.3 Record Keeping

Written records of all program activities, including minutes of the meetings of the CDA Board at which action is taken with regard to the Loan Fund, applications, and all related documents, will be maintained in appropriate files. Files are to be maintained in a secure place with limited access only by authorized personnel. The CDA's legal counsel will be consulted regarding compliance with state and municipal open records laws.

1. A master file must be established for each application. The master file must include the following sub-files and contents (as appropriate):

- *Loan Application File*. This file contains all applications, business financial statements, personal financial statements, credit reports, business plan documents, and other supporting loan information submitted to the City including all applicable correspondence.
- *Loan Recommendation File*. This file contains a summary of the analysis, recommended actions for the application, and a copy of the minutes from the CDA meeting summarizing the action taken on the loan request.
- *Loan Closing File*. This file contains copies of all loan-closing documents. All legal documents from the loan closing, including security instruments, the note and other applicable correspondence. City's Attorney will be involved in helping create and complete this file to

ensure complete loan documentation. Copies of the loan closing documents and an amortization schedule will be provided to the loan recipient, along with an invoice, if applicable, for loan closing and servicing fees.

- *Monitoring File System.* A monitoring file system should be established and maintained to ensure that repayments, financial information, the applicant's agreement, UCC updates, and other time-sensitive documentation is tracked and obtained or updated as required.
2. **Site Visit.** Site visits should be conducted periodically to each loan recipient, the scheduling of which depends on the nature of the project. A summary of the site visits should be placed in the file, particularly highlighting any information that can help in rating the overall condition/risk of the applicant's progress.
 3. **Repayment Monitoring.** This file should include the loan amortization schedule, status of payments, and the outstanding balance of the loan. Observations suggesting concerns or problems should be reported to the CDA Board of Directors. Electronic automatic payments will be made from designated Borrower account to designated City account, on the date agreed upon and documented in the Loan Closing documentation. This function will be performed by the Finance Department.
 4. **Loan Review.** All projects are to be reviewed on an annual basis, and at such other times as may be deemed necessary by the CDA. Items to review include: timeliness of payments; condition of collateral securing the loan and status of security documents (i.e. mortgages, UCC filings); overall financial condition of the business; the presence of material liens or lawsuits; and violations of loan covenants and suggested corrective actions as needed.

If the business is experiencing problems with any of the above criteria, the Fund Administrator is to work with the recipient to identify actions needed to correct the deficiencies, including possible restructuring of the agreement to protect the CDA's interest and meet the needs of the business. If appropriate, the Administrator will arrange for business assistance through available public or private resources. If the findings of the review suggest serious problems, particularly if the project is at risk of default, the account should be turned over to the CDA's attorney for legal action. Again, corrective actions may be achieved through restructuring or if necessary, foreclosure actions.

2.4 Administration

No administrative funds may be withdrawn from the Loan Fund Program to cover personnel costs and other administrative expenses.

2.5 Eligible Uses

Projects must be located within the City of Whitewater to be eligible for awards made through the Loan Fund Program.

Program loans shall generally provide gap financing for eligible projects that will result in investment within the City of Whitewater. Gap financing may be used for the following activities:

- Purchase/installation of equipment essential to business operations
- The acquisition of land, buildings, and fixed equipment.

2.6 Eligible Applicants

1. Applicants must be named as an owner, sole proprietor, chief executive officer or other officer authorized by the business to enter into contracts with the City of Whitewater on behalf of the business seeking assistance.
2. Eligible applicants will be representatives of legitimate for-profit businesses or proposed for-profit businesses (legitimate non-profit or proposed non-profit businesses or organizations meeting a program objective may also qualify), not engaging in the activities listed in section 3.4 of this document.
3. Applicants shall not be disqualified based on age, race, color, creed, religion, sex, national origin, ancestry, handicap, physical condition, developmental disability as defined in s. 51.01(5), Wis. Stats., marital status, sexual orientation, or other form of discrimination prohibited by the laws of the State of Wisconsin or the United States of America. No member of the CDA Board of Directors, the, or any other official, employee, or agent who exercises decision-making functions or responsibilities in connection with the implementation of the program is eligible for financial assistance under this program.
4. No program awards will be made in conflict with Section 946.13 Wisconsin Statutes (Private Interest in Public Contract Prohibited).
5. Applicants with existing businesses will provide full financial information for three (3) years prior to the application date and financial projections for the next three (3) years. Applicants seeking assistance for proposed new businesses will provide personal financial information for three (3) years prior to the application date and financial projections for the next three (3) years.

2.7 Eligible Activities

Funding is available to applicants under the Loan Fund for the following activities:

1. Examples of target sectors of industry:
 - Advanced Manufacturing
 - Agriculture or Food Processing
 - Information Systems or Software
 - Medical Devices and Research
 - Biosciences
 - Renewable and Green Energy
2. Acquisition of land, buildings and fixed equipment;
3. Installation of fixed equipment;

2.8 Ineligible Activities

Program funding may not be used for the following activities:

1. Refinancing or consolidating of existing debt.
2. Specialized equipment that is not essential to the business operation.
3. Residential building construction or reconstruction (unless mixed use development/redevelopment with at least 75% business operation; or such reconstruction is intended to convert the building to a business or industrial operation).
4. Routine maintenance projects.
5. Professional services such as legal services, feasibility and marketing studies, accounting, management services, and other similar services.

6. Land/property/stocks deemed to be speculative investments or similar companies.
7. Real estate investment companies.
8. Lending institutions.
9. Gambling operations.
10. Any expenditure related to the project but occurring prior to the loan application being approved by the CDA.
11. Members of the City of Whitewater Common Council, CDA, or any other City official, employee, or agent who exercises decision-making functions or responsibilities in connection with the implementation of this program.
12. Loans that are in conflict with Section 946.13 of the Wisconsin Statutes (Private Interest in Public Contract Prohibited). The Committee reserves the right to identify other ineligible uses for the program.
13. Applicants with outstanding property tax or other City liabilities are ineligible.
14. Funds may not be used to support expenses related to the relocation of a business between communities in Wisconsin.

2.9 Ineligible Businesses

Program funds may not be made available to the following entities:

1. Real estate investment companies (except for facilities from which the business operates);
2. Lending institutions;
3. Gambling operations;
4. Recreational facilities which do not allow access to the general public;
5. Business that have over 90% of their income in direct consumer retail, restaurant or hospitality industry sectors;
6. Other businesses not serving the interests of the City of Whitewater;
7. Any government body or governmental entity (including the City of Whitewater or Whitewater CDA); and
8. Not-for-profit businesses or organizations unless a Payment in Lieu of Taxes (PILOT) is included in the agreement.

2.10 Types of Awards

The CDA will recommend that funds be awarded to an applicant the following ways:

- Direct grant of funds, with no required repayment.
- A loan that contains an amortization schedule with required payments of both principal and interest. A balloon payment maybe negotiated as part of the initial loan agreement.
- A deferral of initial loan payments may be negotiated in order to assist the business in its start-up phase.

SECTION 3. Terms and Conditions

3.1 Terms and Conditions

1. Once approved by the CDA, the City attorney will prepare the loan documents required for the individual loan. These documents may include, but are not limited to, the following:

- Real estate mortgage;
 - Assignment of land contract;
 - Term loan agreement;
 - General Security Agreement;
 - UCC Filing with Secretary of State;
 - General Business Agreement;
 - Personal Guarantee;
 - Authorization Agreement for Automated Debits/Deposits
 - Any other documents deemed necessary by the City Attorney.
2. The CDA reserves the right to set all of the other terms of the loan. The Term Loan Agreement will spell out all of the guidelines of the loan; define default and the consequences of such action. The Agreement will enumerate how the funds will be expended and the required bookkeeping system for the loan recipient.
 3. The applicant must agree that he/she will not discriminate against any employee, applicant for employment, supplier or contractor due to age, race, color, creed, religion, sex, national origin, ancestry, handicap, physical condition, developmental disability as defined in s. 51.01(5), Wis. Stats., marital status, sexual orientation, or other form of employment discrimination prohibited by the laws of the State of Wisconsin or the United States of America.
 4. Loan terms and conditions will be structured on need and ability to repay. The Committee and the CDA will determine loan terms and interest rates on an individual basis. The interest rate will be established by the Committee and CDA. The interest rate on approved loans will be current prime rate as published by the WSJ minus 2% with a floor of 1.5%.
 5. The length of the amortization schedule will be determined by the Committee/CDA in conjunction with the applicant and is dependent upon the amount of the loan and the type of project assisted.
 6. Minimum standards shall include the following:
 - Loan Amount. Loan amounts are subject to the availability of program funds. No loan request exceeding 30% of total project costs or \$100,000.00 will be considered.
 - Interest Rate. The interest rate will be established by the Committee and CDA. The interest rate on approved loans will be current prime rate as published by the WSJ minus 2% with a floor of 1.5%.
 - The interest rate may be negotiated as part of the overall agreement.
 - Period of Payment. Terms may include longer amortization schedules with balloon payments. Amortization schedules will be set up for monthly payments.
 - Repayment. Payment of interest and/or principal may be deferred during the implementation period of the assisted activity if merited in the loan application. Interest may accrue during the deferment period and may be paid in full or added to the principal amount of the loan. Following the deferral period, interest and principal shall be paid for the remaining term of the loan.
 - Prepayment. There shall be no prepayment penalties.
 7. Collateral. The City of Whitewater will have the first or second position on assets securing the loan to ensure that these loans are adequately protected
 8. Terms. All terms and conditions of the agreement will be negotiated on a case by case basis. Loan terms will be determined by the Capital Screening Committee subject to the following guidance:
 - The loan term for any loan made may not exceed 10 years,. Most equipment loans will not exceed 5 years, in order to simplify UCC monitoring requirements.

- Loans for machinery, equipment, and fixtures will have a maximum term of five years.
 - Loan terms will be set so that there is an approximate parity between the amortized balance of the loan and the remaining value of the collateral. Loans may be amortized with balloon payments.
 - The term of any loan made under the Loan Fund may not exceed the term of private financing used to meet the matching funding requirements of the project.
9. All loans will be written to require regular systematic payments as determined at the time of the award.
 10. Deferment of Principal and Interest. The CDA may recommend deferring principal and/or interest payments on loans, based upon a demonstration of need by the recipient. Interest will accrue during the deferral period and may be paid in one lump sum at the end of the deferral period or added to the principal of the loan and amortized over the remaining term of the loan. Loan payments may be deferred for a maximum of twelve monthly payments (or one full year from the date the loan is originated).
 11. Prepayment. There are no penalties for prepayment of a loan.
 12. Collateral. The CDA will seek the best possible collateral position to ensure that Loan Fund loans are adequately secured, including a personal guaranty.

SECTION 4. Application Procedures

4.1 Discussion of Program Requirements

Prior to submitting an application, the applicant must discuss the program with the Fund Administrator. The Administrator will assist the applicant, as is reasonably necessary, in completing the application. All financial information will be kept in a secure place with limited access by authorized personnel only.

4.2 Timing of Applications

There is no proscribed funding cycle for this program. Applications may be submitted at any time.

4.3 Priority of Consideration

Applications are reviewed in the order received and based on readiness for the proposed project to proceed. In the event that the funds requests exceed available funds, the following criteria will be used to determine which business(es) will be awarded funding:

- Eligibility of the applicant.
- Eligibility of the project to be undertaken.
- Ability of the project to secure funding from other sources.
- Extent to which other public funds are used to support the project.
- The extent to which private funds are leveraged.
- Other grants, loans or equity investments with the CDA.
- Size of the funding requested.
- Timing of the proposed expenditures.
- Completeness of the application.
- Other factors as deemed appropriate by the Screening Committee.

4.4 Application

Applicants must submit an application using the form available and that includes the following:

- Business Description: A written description of the business including:
- A brief history of the existing or proposed business, including when it started or is to start, type of operation, legal structure, market and products;
- Potential markets and customers
- Resumes of each principal associated with the business including number of years of experience in the business, educational background, and role in the business; and
- A financial history, if available, of the business including balance sheets, profit/loss statements, cash flow statements, and accountant notes for the previous three years. For a startup business, personal income tax statements for the past three years could be required.
- Applications must be submitted at least ten (10) days prior to the monthly meeting of the CDA. Only fully completed applications will be processed.
- Fund Sources: A detailed description of the sources and uses of the funds needed for the project, including Loan funds, private sector funds, equity, etc.
- Projected Expenditures: A detailed summary of any and all uses of the total sources of funding, including budget and capital expenditures. In addition, copies of lease agreements should also be submitted.
- Projections. Provide proformas (a balance sheet, income statement and cash flow statement) covering a three-year period based on the assumption that the business will obtain the requested award from the CDA.
- Additional Information. Additional information may be requested by the Fund Administrator.

4.5 Review Process

Specific steps in the review process include the following:

- Preliminary Review. The Fund Administrator will review the application for completeness and verify that the proposed project meets the minimum requirements. If the application is not complete, the Administrator will inform the applicant of the deficiencies and work with them to correct the areas of concern.
- Negotiation of Terms. Upon tentative acceptance by the CDA Board of Directors, the Administrator will contact the business in writing to explain the terms of the offer being extended.
- Notice of Award. If the application is approved, a closing will be scheduled to execute the necessary documents.
- Rejection of Award. If the applicant is not approved, the Administrator will send a letter to the applicant stating the reasons for the rejection and offering to meet with the applicant to explore ways to strengthen the request or to identify potential alternative sources of financing.

5. Distribution of Funds

5.1 Loan Investment Procedures

Prior to releasing funds, the following documentation must be in place or provided at the appropriate time during the term of the loan.

1. Notice of Award. The Community Development Authority must have reviewed and approved a complete application for an eligible applicant.
2. Loan/Equity Investment Agreement. The City Attorney will prepare the documents to be executed by the CDA Director.
3. Promissory Note. A promissory note will be prepared by the City staff and signed by the authorized representative of the business at the time of closing. The note must be dated, it must refer to the agreement between the CDA and the business, and it must specify the amount and terms of the loan funds delivered.
4. Security. Mortgage or lien instruments or personal guarantees provided as security for all loans shall be prepared and executed at the time of the loan closing. The City Attorney shall record the instrument and place a copy in the project file to include:
 - (a) Mortgage and/or security agreement.
 - (b) UCC searches and filing.
 - (c) Guarantee agreement.
 - (d) Title insurance or Abstract.
 - (e) Assignment of Life Insurance.
 - (f) Casualty Insurance binder.
 - (g) Personal guarantee.
 - (h) Other documentation as may be appropriate.
5. Repayment Schedule. A loan repayment or amortization schedule will be prepared by City staff at the time funds are disbursed. The repayment schedule will be attached to both parties' copies of the agreement.
6. Evidence of Eligibility for Permits, etc. Documentation must be provided by the applicant that all necessary permits, licenses, and any other registration required have been obtained by the applicant prior to the release of program funds.
7. Evidence of Program Expenditures. Documentation must be provided by the business to evidence the program expenditures. Documentation may include bills and invoices or receipts for materials, final bills of sale or cancelled checks. All documentation will be approved by the Fund Administrator.
8. Fixed Equipment. Fixed equipment financed with program funds must have been purchased, delivered and installed. The Fund Administrator will verify the installation of fixed equipment.
9. Other Documentation. As appropriate or necessary, the borrower may be asked to provide the following:
 - a. A Certificate of Status from the Department of Financial Institutions;
 - b. Articles of Incorporation and Bylaws;
 - c. A resolution of agreement to borrow funds;
 - d. Current financial statements;
 - e. Evidence of having secured other funds necessary for the project; and
 - f. An environmental assessment for real estate.

With the above documentation in place, the Fund Administrator will schedule a closing. Mortgages and UCC statements must be recorded with the Register of Deeds and the Secretary of State.

5.2 Grant Procedures

Prior to releasing funds, the following documentation must be in place or provided at the appropriate time regarding the grant.

1. Notice of Award. The Community Development Authority must have reviewed and approved a complete application for an eligible applicant.
2. Grant Agreement. City Staff will prepare the grant agreement to be executed by the CDA Director, and authorized representative(s) of the business.
3. Evidence of Eligibility for Permits, etc. Documentation must be provided that the applicant is eligible for all necessary permits, licenses, and other registrations.
4. Evidence of Program Expenditures. Documentation must be provided by the business to evidence the program expenditures. Documentation may include bills and invoices or receipts for materials, final bills of sale or cancelled checks. All documentation will be approved by the Fund Administrator.
5. Other Documentation. As appropriate or necessary, the Grantee may be asked to provide the following:
 6. A Certificate of Status from the Department of Financial Institutions;
 7. Articles of Incorporation and Bylaws;
 8. A resolution of agreement to borrow funds;
 9. Current financial statements;
 10. Evidence of having secured other funds necessary for the project; and
 11. An environmental assessment for real estate.
12. With the above documentation in place, the Fund Administrator will schedule a Grant closing. All documents will be executed before funds are disbursed.

SECTION 6. Post-Approval Requirements

6.1 Obligation of the Applicant

In addition to the terms and conditions of the loan/grants, all applicants must agree to comply with the following conditions. These conditions must be written into the terms of the agreement prepared by the CDA.

1. Non-Discrimination. Not to discriminate on the basis of age, race, religion, color, handicap, sex, physical condition, development disability as defined in s. 51.05(5), sexual orientation or national origin in an employment or construction activity related to the use of the business loan funds.
2. Use of Funds. To use the proceeds only to pay the cost of services or materials necessary to complete the project or activity for which the funds were awarded.
3. Inspections / Audit by City staff. To permit inspections by persons authorized by the CDA of all projects and properties assisted with the funds. Related project materials will also be open to inspections which include, but may not be limited to contracts, materials, equipment, payrolls, and conditions of employment. Requests for inspection / audits must be compiled with by the applicant.

4. Records. To maintain records on the project as may be requested by City staff. These files must be maintained as long as the loan/grant is active or for at least three years after completion of the work for which the loan/grant has been obtained, whichever is longer.
5. Progress Reports. To submit periodic progress reports to City staff in accordance with the schedule in the agreement.
6. Compliance with Federal Law. As required to abide by all federal laws, when applicable. These include, but may not be limited to the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Davis-Bacon Act as amended, the Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, and all regulations pursuant to these acts.

SECTION 7. Performance Monitoring

7.1 Default

In the event the business is in default on any of the terms and conditions of the loan agreement, all sums due and owing, including penalties, will, at the CDA's option, become immediately due and payable. Loans found to be in default may be subject to a default rate of the prime rate on interest on the date of closing (defined as the prime rate of interest as published in the Midwest Edition of the Wall Street Journal) plus two percent. To exercise this option, the CDA will prepare a written notice to the business. The notice must specify the following:

1. The default;
2. The action required to cure the default;
3. The date, not less than thirty days from the date of notice, by which the default may be cured to avoid foreclosure or other collective action; and
4. Any penalties incurred as a result of the default.

SECTION 8. Use and Reporting of Payments

8.1 Loan Fund Program

Repaid loans and/or equity payments must be deposited into the Loan Fund Program account(s) and used in a manner consistent with the policies and procedures manual. A separate accounting record must be kept for each application to account for all funds disbursed.

The Loan Fund Loan Program account(s) must be audited on an annual basis and the Finance Department will provide reports at times and on forms as required by the funding streams.

SECTION 9. Loan Program Servicing

9.1 Program Monitoring

The Fund Administrator will monitor each loan/grant to ensure compliance with the terms and conditions and to monitor the financial health of the business to ensure continued payment of the loan. The monitoring will also ensure that all record keeping requirements are met

The Fund Administrator will monitor the overall Loan Fund Program including all records of individual loans/grants, funds deposited to bank accounts, and other program funds. A schedule of outlining the equity of the Fund in various projects is also required. The Fund Administrator will monitor the effectiveness of the Loan Fund Program, market the program, and recommend policy and procedures to the Board of Directors of the Whitewater CDA.

9.2 Reporting to the CDA Board

The Fund Administrator will prepare a semi-annual summary report of the Loan Fund Program and provide this to the CDA Board of Directors. The intent of the report is to offer a snapshot of the status of existing loans/grants, equity positions and balances in the program accounts. The report will include the following information:

1. Summary information for each outstanding loan, including the starting balance, payments received during the month, current balance, and status of payments;
2. Summary of information for each grant provided and the status of the business;
3. Summary of information for each equity position provided and the status of the business;
4. Summary information on Loan Fund accounts, including starting balance, debits and credits to the accounts, *and* ending balances;
5. Funds available to be awarded and funds committed; and
6. A written summary of any collection activity or other non-routine activity relating to the program.

9.3 Reporting to the City of Whitewater

The various programs offered through the Whitewater CDA are included in the financial information reported by the CDA to the City of Whitewater on an annual basis. Accounting for these programs occurs within the financial reporting system used by the city. The CDA will report the balances of all Loan Fund accounts, outstanding loan balances, and all transactions that occurred during the reporting period. These program accounts are subject to the city's requirement for an annual audit.

9.4 Program Records

The Fund Administrator will maintain records associated with the general administration of the Loan Fund, including:

1. Policy and procedures manuals and other guidance adopted by the Whitewater CDA or City of Whitewater relating to the administration of the Loan Fund Program;

2. Documentation of any actions taken by the Whitewater CDA or City of Whitewater relating to the Loan Fund Program;
3. General documentation and correspondence relating to the Loan Fund Program;
4. Bank statements, checkbook registers, deposit records, check copies, certificates, and all other documentation relating to Loan funds deposited at area financial institutions;
5. Records of administrative expenses paid through the use of program funds;
6. Records of activity taken to market the Loan Fund Program;
7. Status Reports provided to the Whitewater CDA Board of Directors;

9.5 Program Monitoring Schedule

The Fund Administrator will establish a monitoring schedule to provide a reminder of the dates on which actions need to be taken to service the Loan Fund Program. The monitoring file should record the following dates:

1. Due dates of certificates of deposit in which program funds are invested;
2. Date upon which the terms of outstanding loans are due to be modified according to the loan agreement;
3. Dates by which recipients are scheduled to provide financial statements or progress reports;
4. Expiration dates of required insurance;
5. Dates upon which loans are due to be paid off, or balloon payments are due;
6. Dates by which UCC Filings are scheduled to be renewed; and
7. Dates upon which annual recipient reviews are to be conducted

9.6 Individual Loan Records

A Master File will be established for each awarded through the Loan Fund Program. The Master File will include several sub-files, with the contents arranged as follows:

- 1- Application File. This file contains all of the documentation relating to application
- 2- Recommendation File. This file will contain a record of deliberations in considering the request for a loan/grant under the Loan Fund Program
- 3- Closing File. This file includes all documentation relating to the closing of the loan/grant. Some original documents may be kept in the CDA's safety deposit box for added security. Copies of these will be placed in the file along with a note indicating that the original is in the safety deposit box
- 4- "Tickler File" System. The "tickler file" is a listing of time-sensitive monitoring requirements, intended to alert the Fund Administrator to actions which may need to be taken to adequately secure the CDA's interests
5. Financial Statement File. This file contains the business's financial statements submitted to the CDA.
- 6- Site Visit File. This file will contain a record of site visits made by the Fund Administrator to the project location or award recipient.
- 7- Progress Report File. This file will contain progress reports submitted by the business.
- 8- Repayment Monitoring File. This file contains all records relating to the loan payment history of the loan recipient.
9. Annual File Review. This file will contain the Annual File Review report prepared by the Fund Administrator.

9.7 Late Payment

All loan payments must be made in a timely manner. Payments made within ten (10) days of the due date will be considered on time. The following procedure will apply to all past due loan payments

Payment thirty (30) days past due. A written notice will be sent to the loan recipient via certified mail, reminding them that payment is past due and notifying them of a potential default. The letter will include any actions that must be taken to avoid default, and the date by which action must be taken (not more than sixty (60) days from the date of the notice on which payment must be received). Notice will be given to the CDA Board at its next regularly scheduled meeting and the Board will determine if any additional steps are warranted.

The CDA Board will be updated on the status of the loan at its next regularly scheduled meeting. The Board will determine if any additional steps are warranted.

9.8 Troubled Accounts

When monitoring indicates that the recipient may be experiencing financial or potential problems that could threaten the viability of the loan or the business, the CDA will make appropriate attempts to assist the recipient. This includes but not limited to: additional visits, refinancing options, work with their Financial Advisor and Legal Counsel in the development of a financial plan.

The Fund Administrator will notify the CDA of any troubled loans and the steps being taken to rectify the problems.

Appendix

Application