

**Wise County Industrial Development Authority  
Small Business Development Revolving Loan Fund**

The Small Business Development Revolving Loan Fund (RLF) was established by the Wise County Industrial Development Authority as an economic incentive for small businesses to establish, expand or relocate in Wise County, Virginia. The fund allows the IDA to offer low interest micro loans to small businesses (less than 50 employees) for the purpose of land acquisition, purchase and renovation of buildings, acquisition of equipment, machinery, furniture and fixtures, and establishing working capital for new (less than one year) businesses.

The intent of the RLF is to encourage the expansion and development of viable business activity, including full-time and/or part-time job creation in Wise County. The RLF is targeted to those businesses that cannot obtain economically feasible financing due to conventional interest rates and lending/exposure limits applied by local lending institutions. Other financial commitments must be in place at the time of the application and no loan shall be made from the program where there is reasonable doubt as to the ability of the borrower to repay the loan.

The following program guidelines and procedures, informed by a review of similar loan programs offered successfully by other government entities, will apply:

- **Loan Amounts** – Typical loan amounts will range between \$5,000 - \$10,000, however, loan requests up to \$25,000 will be considered with evidence of significant social and economic benefit to Wise County and its localities. Loan requests will be considered on a case by case basis with additional documentation, due diligence, and collateral requirements possible.
- **Interest Rate & Terms** – Loans will be offered at an annual interest rate of 2%. There is no penalty for prepayment of a loan. Loan terms will be determined by the amount of the loan requested but will not exceed 5 years.
- **Use of Loan Funds** – Loan funds are limited to land acquisition, purchase and renovation of buildings, acquisition of equipment, machinery, furniture and fixtures, and establishing working capital for new business start-ups.
- **Application Process** – Every application will undergo the following review process:
  - Applications must be received by the first day of each month to be considered for approval during the given month. Applications received after the first day of the month will not be considered until the following month.
  - Applications are submitted to the Wise County Economic & Industrial Development Department and reviewed for completeness. Incomplete applications are returned to applicants and no application will be processed until all required information is provided.
  - The Department will contact applicant's financing sources to confirm existing financing approvals and verify creditworthiness. In instances where an applicant is unable to obtain traditional financing, staff will consult with a local lending

institution to determine an applicant's creditworthiness and ability to repay the loan.

- Completed applications and staff's findings are forwarded to the Wise County IDA RLF Committee. The Committee will review the loan application and associated materials and make loan recommendations to the full IDA Board during its monthly meetings (3<sup>rd</sup> Tuesday of each month) which will approve or not approve the loan request to the staff.
- Board decisions will be final, and decisions will be communicated to applicants by a staff member by the end of the month the application is considered.

### **Loan Application Package**

The RLF loan application package must include the following items:

- **Completed loan application (6 pages)**
- **Completed "USDA Form RD400-4 Assurance Agreement"**
- **Completed "USDA Form AD1048 Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions"**
- **Completed "USDA Form RD 1940-20 Request for Environmental Information"**
- **Obtain a Data Universal Numbering System Number (DUNS Number), a DUNS number can be obtained by calling: 1-866-705-5711 or electronically at the following website: <https://fedgov.dnb.com/webform>, provide documentation that it has been obtained.**
- **Personal resume(s) of principals and managers**
- **Financial Statements:** If an existing entity, applicant should attach copies of audited financial statements for the past 3 years, and pro forma financial statements for the next 2 years. If the most recent statement is older than 90 days, attach copies of interim statements. For a new or existing business, attach copies of acceptable financial statements for the past 3 years and tax returns. If a new entity, attach copies of pro forma financial statements for the next 2 years.
- **Business Plan:** Attach a business plan which should include a discussion of the company, history and ownership, management, subsidiaries, affiliates, parent companies, primary customers and suppliers, future plans, outlook for the industry, proposed use of funds, benefit to the community, and type and number of jobs. If a public entity, and no business is involved in the project, attach a narrative which should include a discussion of the project, project history, future plans, proposed use of funds, proposed method of repayment, other funding sources, benefit to the community, type and number of jobs, and marketing strategy. For land and/or building related projects, applicants must attach a copy of map/plat showing project site and proposed improvements.
- **Cost estimates, bids, or other documentation substantiating borrower's request or need.**

Any application having incomplete information will not be reviewed by the Board. Other information may be requested by the Board during its review of the request.

Completed application packages should be submitted by mail or email. If submitting by mail, address to:

Wise County Economic & Industrial Development Dept.  
Attn: Small Business Development RLF  
P.O. Box 570  
Wise, Virginia 24293

If submitting application package by email, address to:

falin\_b@wisecounty.org  
Subject: Small Business Development RLF

For more information or for assistance in filling out the application, contact:

Carl Snodgrass, Executive Director – Wise County IDA (econdev@wisecounty.org)  
Brian Falin, Industrial Development Supervisor (falin\_b@wisecounty.org)  
Natalie Chapman, Economic Development Supervisor (chapman\_n@wisecounty.org)  
Office - (276) 328-2321  
Fax – (276) 328-9780

Each RLF application is reviewed for completeness and eligibility and then forwarded to the RLF Committee. The Committee will review the loan application and make a recommendation to the Board. The Board makes the final decision regarding each RLF application. Once approved, applications are forwarded to USDA-RD for final approval and issuance of funds. All loans are contingent upon availability of funds. The Board reserves the right to deny any application at any time.

This project is funded through a Rural Business Development Grant from the US Department of Agriculture – Rural Development. USDA-RD must approve projects included in the initial distribution of the grant funds. All USDA-RD associated forms and information must be completed and submitted with the application.



Committed to the future of rural communities.