

About the CMV Growth Development Fund

The Mississippi River Regional Planning Commission's CMV Growth Development Fund was originally formed to provide loans to businesses within Crawford, Monroe, and Vernon counties to assist in long term economic recovery from the Flood of 1993. As those loans were repaid back, they again were loaned to other businesses in the three-county area thus creating a self perpetuating revolving loan fund.

HOW WAS THE FUND CREATED?

A U.S. Department of Commerce—Economic Development Administration grant of \$146,000 paired with a local match of \$26,000 capitalizing the CMV Fund at \$172,000.

Economic Development Goals of the Fund are:

- To provide affordable and flexible gap financing to businesses that leverage additional private investment and lending.
- To help businesses retain and expand their operations.
- To help create and retain jobs.
- To increase personal income levels.
- Provide affordable and flexible loan terms to businesses
- Serve as an incentive to lending institutions to participate in a business deal that would not occur were it not for the RLF.

In all instances the CMV loan will be in conjunction with a larger share of private financing or other business investment sources.

How is an application submitted?

Prior to completing a loan application, contact the Mississippi River Regional Planning Commission (MRRPC) at 608-785-9396 to see about the amount of loan funds available. The MRRPC staff serves as the CMV loan administrator and review agent.

Loan Application Administration and Compliance Review Fees

All loan closing costs will be paid for by the borrower. A fee not to exceed \$300 may be charged with the submission of a loan application and an additional fee not to exceed \$500 may be charged if a loan proceeds to closing. Each of these two fees shall be made payable to the Mississippi River Regional Planning Commission.

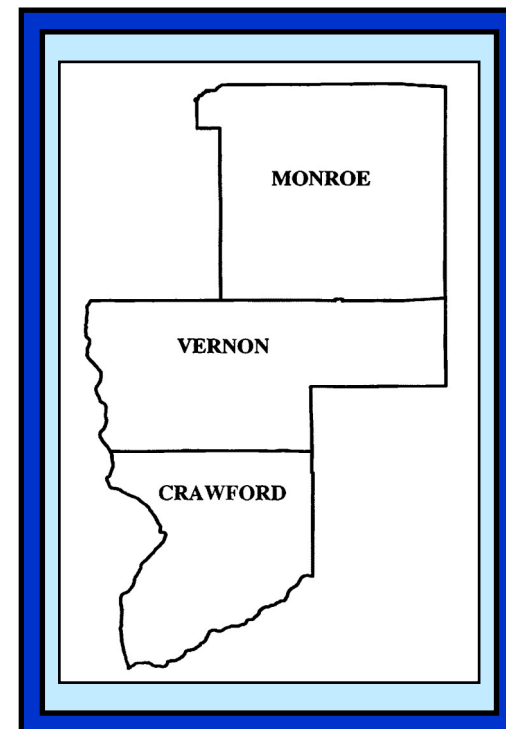
Applications can be viewed and downloaded by clicking on the "Business Loans" tab on the MRRPC website: www.mrrpc.com

CMV Growth Development Fund

Mississippi River Regional Planning Commission
1707 Main Street, Suite 435
La Crosse, WI 54601
Phone: 608-785-9396
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CMV Growth Development Fund

A revolving loan fund providing affordable and flexible gap financing for businesses in Crawford, Monroe, and Vernon counties.



For More Information:

www.mrrpc.com
plan@mrrpc.com
608-785-9396

The CMV Growth Development Fund wants to help your business grow!

Why is the Fund Needed?

Small businesses create the most jobs, but suffer from a shortage of long term financing. Eighty percent of the new jobs in the nation and the great majority of jobs in western Wisconsin are created by businesses employing less than 100 people.

Ironically those businesses that create the most jobs are the least able to obtain reasonable financing for job creating business expansions. Because of the shortage of long-term financing, small businesses are frequently unable to undertake expansions to the extent desired.

Managing the Fund

The CMV Fund is an organization made up of officials representing local governments, utility companies, financial institutions, and the MRRPC. The Mississippi River Regional Planning Commission is the Grantee and is responsible for administering and providing compliance review services for the Fund's Board of Directors.

Loan Specifics

- **Loan sizes:** \$10,000 to \$130,000 loan sizes are preferred. The maximum to a single borrower is \$300,000.
- **Job Creation:** A minimum of one job created or retained for every \$20,000 to \$42,000 of CMV financing.
- **Loan Ratio:** To help reduce risk and protect the CMV loan portfolio \$2 of private financing to every \$1 of CMV financing is required.
- **Participating Lender:** Lending from this loan fund is always in conjunction with a sponsoring senior lender or investor. To apply for a CMV loan a business must secure private financing. A senior lender will also be required to appear at the CMV Loan Board meeting with the business to answer questions and help service the CMV loan.
- **Equity:** Each project requires a minimum of 10% equity.
- **Refinancing of Existing Debt:** Refinancing of existing debt may be considered if a business can satisfactorily demonstrate such refinancing is necessary to stay in operation and business plan convinces loan board of ability to recover if more favorable financing terms are not secured.
- **Use of Funds:** Real estate, equipment and working capital, are all eligible financing uses.
- **Interest Rates:** Usually 1% plus or minus the current prime rate quoted in the Wall Street Journal.
- **Loan Terms:** Land and buildings—15-20 years,

equipment and machinery—expected life but not to exceed 10 years, working capital—up to seven years. Balloon payments and a transition to private financing after an agreed upon time period are likely to be part of a loan. Adequate collateral and security requirements will be sought on all CMV loans. The CMV may take a subordinated position behind a senior lender.

- **Deferred Interest only Payments:** Deferment of initial loan principal payments may be delayed for up to one year.

Federal Regulations

Loan recipients are required to adhere to several federal regulations such as National Environmental Policy Act, Civil Rights Act, Davis Bacon Act, Flood Disaster Protection Act, and National Historic Preservation Act. A statement of non-relocation is also required. The MRRPC staff serving as the RLF administrator will inform the borrower of the above and other Federal regulations they required.

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