

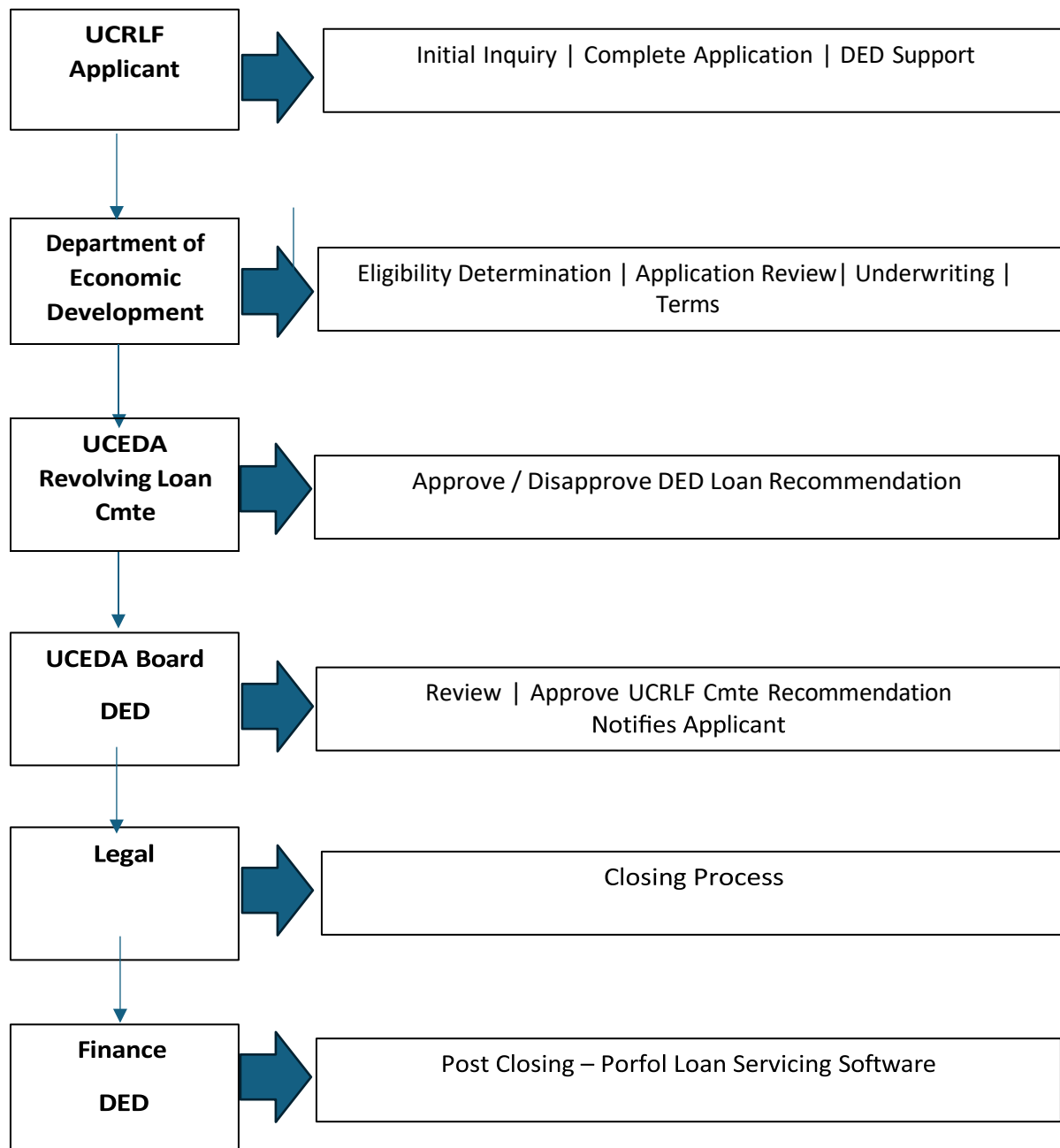


**Ulster County Economic Development Alliance**  
**Revolving Loan Subcommittee Meeting**  
**Date: April 21, 2025**

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## Ulster County Revolving Loan Fund Application Process



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# LOAN ORIGATION AND UNDERWRITING PROCESS



## **I. Loan Origination and Credit Underwriting**

- The Ulster County Department of Economic Development (DED) staff shall determine completeness of application and compliance of project with the appropriate program guidelines prior to forwarding application and credit underwriting reports to the UCEDA Loan Committee ("Committee") for review.
- The Committee will assess complete applications based on technical merit and the Loan Applicant's ("Applicant") capability to successfully meet loan agreement obligations. Subsequently, the Committee will vote on a recommendation to the UCEDA Board ("Board"): approval, approval with modifications, or denial of the application. Furthermore, the Committee may recommend that the Board consider factors outside of the Committee's defined responsibilities when making its decision.

## **II. Credit Factors to consider for Committee and Board Action**

### **Project impact factors:**

- Number of jobs created or retained;
- Amount of loan requested;
- Net economic effect of increasing or stabilizing the economy on the community and area;
- Support of the public entities of the community and area;
- The amount of the owner's Equity contributed to the project;
- Compatibility with economic development plans of the County of Ulster;
- Type of business and or organization.

### **Business feasibility factors:**

The capacity of the Applicant to repay the loan. In determining the repayment capacity of the Applicant, the Committee and Board shall consider the following:

- The potential success of the business and the potential for creating jobs and the growth of those jobs;
- Experience of management and background of the Applicant;
- The amount of the loan;
- The economic feasibility of the project;

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- The ability of the Applicant to service the debt from cash flow of operations, capital, or collateral. Proposed and projected debt service coverage of at least 1.10(x) and collateral coverage of the loan amount of 1.10(x)
- The review of financial and credit status of the project, business plan, and/or Applicant;
- The satisfaction of engineering, legal, and environmental regulations;
- The total capitalization of the project;
- The terms and conditions of the loan and their compatibility with the needs of the business;
- The availability of sufficient unencumbered collateral to secure the interests.

### **III. Board Action on Applications**

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DED staff shall provide copies of the underwriting reports to the Committee at least ten days before the Board votes on the loan application. The Board shall approve the application as requested or approve the application contingent on conditions, or disapprove the application. If the application is disapproved, a written determination shall be forwarded to the Applicant. The Applicant who has had an application disapproved may submit another application that addresses the reason for disapproval.



## ULSTER COUNTY REVOLVING LOAN SCORING CRITERIA

Category	Scoring Criteria	Point Allocation	Total per Category
<b>Direct jobs forecast to be created relative to dollar amount of total loan for the Project (UCRLF) *</b>  *This criterion is based on the estimated number of jobs that will be created at the end of the project. Applicants will be asked to justify this estimate by completing a "Projected Jobs Log" at the time of application.	1 Full-Time Equivalent (FTE) per \$50,000 or less	<b>20</b>	<b>20</b>
	1 FTE per \$50,001-\$75,000	<b>15</b>	
	1 FTE per \$75,001 - \$100,000	<b>10</b>	
	1 FTE per \$100,001-\$150,000	<b>5</b>	
<b>Strength of management team and partnering entities</b>	Level of business and management experience	<b>15</b>	<b>15</b>
<b>Clean Energy Related Projects</b>	Reductions or avoidance of criteria pollutants	<b>20</b>	<b>20</b>
	Reduction in energy costs for individuals or businesses		
<b>Certified Minority-, Woman-, or Veteran-owned business</b>	Minority-, Woman-, or Veteran-Owned business (certification required at time of application)	<b>15</b>	<b>15</b>
<b>Number of Full Time Equivalent (FTE) employees at time of application</b>	10 or fewer FTE employees	<b>10</b>	<b>10</b>
	10-20 FTE employees	<b>8</b>	
	20-30 FTE Employees	<b>6</b>	
<b>Ratio of private dollars to UCRLF dollars in the total loan amount requested for the project (at time of application)</b>	5:1-6:1	<b>10</b>	<b>10</b>
	4:1-5:1	<b>8</b>	
	3:1-4:1	<b>6</b>	
	2:1-3:1	<b>4</b>	
	1:1-2:1	<b>2</b>	
<b>Total loan amount (from UCRLF and financial institutions) requested for the project</b>	\$50,000 or less	<b>10</b>	<b>10</b>
	\$50,001 - \$75,000	<b>8</b>	
	\$75,001-\$100,000	<b>6</b>	
	\$100,001-\$150,000	<b>4</b>	
<b>Total:</b>			<b>100</b>

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# Ulster County Revolving Loan Terms



## **Interest Rate:**

- For loans of \$25,000 to \$50,000 an interest rate equal to the federal prime rate minus 2% (minimum of 3%) for a term of 5-10 years
- For loans \$50,000 or greater an interest rate equal to the federal prime rate minus 1% (minimum of 4%) for a term longer than 10 years.

ELIGIBLE USES	TERM LIMITATION (YEARS)
Land and Building Acquisition	15
New Construction and Building Renovation *	15
Site Improvements *	10
Machinery, Equipment and Fixtures **	7
Working Capital and Inventory ***	1-2

\* Owners and contractors are required to submit an environmental assessment certification.

\*\* The remaining effective life of the equipment, machinery or fixtures must equal to, or exceed, the life of the loan.

\*\*\* Working capital loans are limited to (2) months of operating expenses for the business. Inventory loans are limited to \$25,000

## **Special Terms Available For:**

- Clean Energy Related Projects (See guidelines)
- Minority and Women-Owned Business Enterprises (MWBEs)
- Service-Disabled Veteran-Owned Business (SDVOBs).

**Note: Loan terms are subject to change at the discretion of the UCRLF Committee.**

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## **ULSTER COUNTY REVOLVING LOAN FUND**

### **UCRLF Overview**

- Co-lending program with a participating financial institution
- UCRLF loans: \$25,000-\$150,000
- At least 1:1 match with capital from a financial institution

### **Loan Terms and Conditions:**

- 1-15 year term loans
- Competitive interest rates and special terms for Clean Energy Related Projects, Minority and Women-Owned Business Enterprises and Service-Disabled Veteran-Owned Business

### **Who Should Apply:**

- For-profit and non-for-profit businesses located in Ulster County
- Complete list of eligibility and scoring criteria is available at [www\\_\\_\\_\\_\\_](http://www._____.)

### **Why Participate as a Lender:**

- UCRLF is subordinate in collateral to the financial institution
- UCRLF matches the financial institution's terms and conditions
- UCRLF low interest rate reduces the cost of debt for the borrower
- Allows financial institutions to participate in initiatives aimed at fostering Ulster County's economic development

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