



COMMUNITY DEVELOPMENT BLOCK GRANT REVOLVING LOAN FUND (RLF)

OVERVIEW

The Michigan Economic Development Corporation (MEDC), on behalf of the Michigan Strategic Fund (MSF), administers the economic and community development portions of the Community Development Block Grant (CDBG) program. CDBG is a federal grant program utilizing funds received from the U.S. Department of Housing and Urban Development (HUD). The Revolving Loan Fund (RLF) portion of Michigan's CDBG Program has a specific focus: lending to small businesses that are unable to secure competitive financing traditionally, but will meet a national objective of the CDBG Program. The program provides funds through either existing Local Revolving Loan Funds (local funds) or through nine newly established Regional Revolving Loan Funds (regional funds).

The RLF program enables small businesses to secure funding for almost any typical business borrowing purpose, including the purchase of real and personal property, and working capital. More specific details information, including program requirements, can be found within the most recent [CDBG application guide](#) approved by the MSF.

WHO IS ELIGIBLE?

Applications for loans are considered on a continuous basis when funded with existing program income that is maintained at an existing local fund, or that has been sub-granted to a regional fund, and must be located within the geographic boundary of either a local or regional fund. Preference will be given to projects located within a county that has entered into a subrecipient agreement with a regional fund if the project will be utilizing new CDBG funds.

GENERAL PROJECT REQUIREMENTS

RLF projects will be evaluated as to their ability to meet each of the following criteria:

- **National objective:** Proposed projects are expected to result in the creation of full-time equivalent (FTE) positions of

which at least 51 percent of the created positions will be held by persons meeting HUD's low- to moderate-income standard (LMI). Proposed projects are expected to create, and/or retain, the largest number of positions with the least amount of RLF investment. When determined to be reasonable or appropriate by the MEDC, applicants may also utilize area wide benefit or elimination of slum and blight standards.

- **Minimum leverage ratio:** Proposed projects are expected to leverage private and other public funds. Funding priority will be given to projects when the leverage ratio of all other private and public funds to CDBG funds is 1:1 or greater.
- **Financial viability:** In addition to individual projects meeting the financial viability requirements outlined in the application guide, proposed projects must demonstrate a reasonable expectation of repayment, with that expectation having been supported by meaningful and prudent due diligence.
- **Project type:** Local and regional funds may provide direct loans, loan guarantees, collateral enhancements, purchase loan participations, or make other commercial credit extensions to small businesses in order to fund eligible activities outlined within Section 105(a)(17) of Title 1 of the HCDA.

A list of local and regional funds, and their contact information, along with a map showing the location and boundaries of the funds, can be found at the end of this document.

CONTACT

In order to receive consideration for RLF loan approval, initial contact should be made with the appropriate local or regional fund managers listed below. For more information, contact the MEDC customer contact center at 888.522.0103 or visit our website at www.michiganbusiness.org.

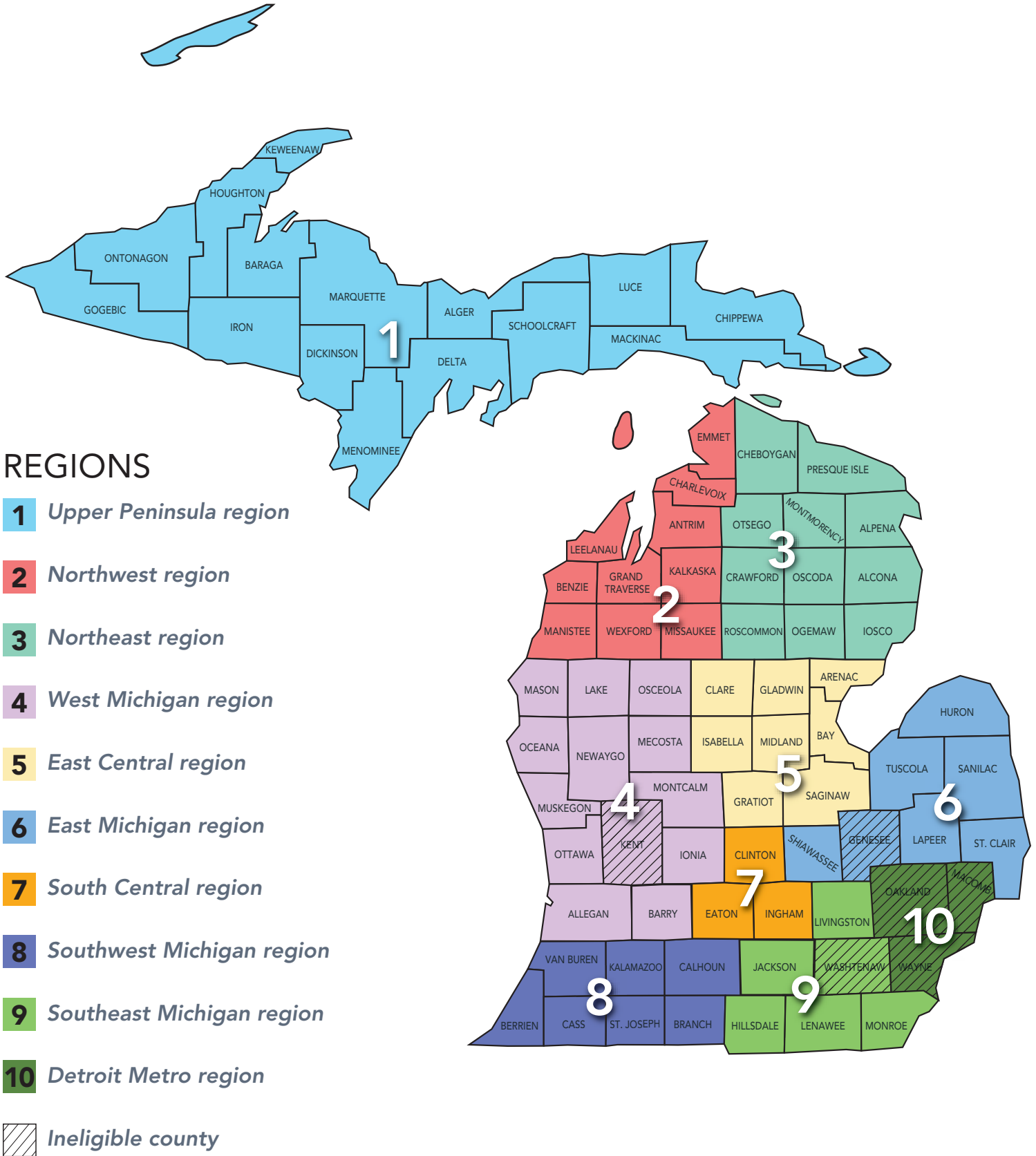


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LOCAL FUND MANAGERS	PHONE
Berrien County	269.983.7111
Buchanan City	269.695.3844
Gogebic County	906.667.1111
Houghton County	906.487.5901
Van Buren County	269.657.8234

REGIONAL FUND MANAGERS	PHONE
Region 1: Northern Economic Initiatives Corporation	906.228.5571
Region 2: Traverse City Area Chamber Foundation	231.995.7110
Region 3: Northern Economic Initiatives Corporation	906.228.5571
Region 4: Capital Fund Services Inc.	517.896.1100
Region 5: Great Lakes Bay Regional Development Corporation	989.754.8222
Region 6: I-69 Regional Development Corporation	810.667.0080
Region 7: Capital Fund Services Inc.	517.896.1100
Region 8: Capital Fund Services Inc.	517.896.1100
Region 9: Capital Fund Services Inc.	517.896.1100

Revolving Loan Fund regions



REGIONS

- 1** Upper Peninsula region
- 2** Northwest region
- 3** Northeast region
- 4** West Michigan region
- 5** East Central region
- 6** East Michigan region
- 7** South Central region
- 8** Southwest Michigan region
- 9** Southeast Michigan region
- 10** Detroit Metro region
-  Ineligible county



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