EXHIBIT 8-C

NAME OF LOCAL GOVERNMENT OR NON-PROFIT ENTITY
(Whichever is managing the revolving loan fund)

SAMPLE REVOLVING LOAN FUND PLAN

The Local Government received a Fiscal Year xxxx Community Development Block Grant – Economic Development (CDBG-ED) Program grant from the Montana Department of Commerce (MDOC). The Local Government has entered into a sub-recipient agreement with Non-Profit Entity to manage loan repayments from this grant award.

The non-administrative portion of that grant was made available to a private business, Name of Business, in the form of a loan. The loan proceeds were used for Purpose of Loan, i.e. acquisition, finance, and working capital. The terms of the loan agreement are specified in a duly recorded loan document on record at Local Government, Montana. That document is hereby incorporated by reference into this Revolving Loan Fund Plan. The repayments on this loan will be paid into an interest-bearing Revolving Loan fund account, to be used for further relending activity.

ORGANIZATIONAL MISSION

The Local Government or Non-Profit Entity Revolving Loan Fund (RLF) is designed to stimulate economic development activity by assisting the private sector, in order to create or retain jobs for low and moderate-income persons. These funds will be used in situations where a funding gap exists and alternative sources of public and private financing are not adequate. These funds are intended to complement conventional business financing techniques by leveraging funding from other federal and state financing programs and private lending institutions.

The RLF is designed to assist businesses by making appropriate long-term, fixed rate financing available to them at reasonable interest rates, and by providing public improvements in support of economic development activities.

PROGRAM OBJECTIVE

The objective of the Revolving Loan Fund (RLF) will be to continue the activities from which the program income is being derived, specifically:

1. Create and retain employment opportunities, to benefit no less than 51% Low and Moderate Income (LMI) persons within the City, Town, County which is the designated RLF Assistance area; and
2. Assist in preventing or eliminating blight, beautification, or upgrading within the commercial/business district of the community; and

3. Contribute partial funding as match for community development projects funded with state and federal funds.

I. **ELIGIBLE APPLICANTS**

Eligible applicants requesting loan assistance will be restricted to for-profit businesses within the designated RLF Assistance Area. The RLF Assistance Area is defined as being within the (City, Town, County).

**MAXIMUM LOAN AMOUNT**

Maximum loan amounts depend on the type of financing requested, as listed below.

**ELIGIBLE ACTIVITIES**

Typical eligible activities include: land acquisition, public facilities and other improvements in support of economic development, such as water and sewer lines, and access roads; for acquisition, construction, rehabilitation, or installation of commercial and industrial buildings, facilities, equipment, or working capital; employee training; and grants to nonprofit entities.

Use of program income must be consistent with eligible activities as determined by the U.S. Department of Housing and Urban Development (24 CFR Part 570.201 or Section 105(a) of Title I of the Housing and Community Development Act) and the Montana DOC Community Development Block Grant Program.

1. **CDBG-ED Project Development**

The Local Government or Non-Profit Entity may use program income to defray project development costs incurred during the development of public facility projects, housing projects or economic development projects within the .

Activities may include but will not be limited to:

- legal advertisements specific to project development
- preparation of market studies/architectural or engineering studies
- feasibility studies
- computerization/operational assistance
- accounting/legal reviews
- grant preparation
2. **CDBG Project Participation**

The City may use program income to participate in partial funding of public facilities projects, housing projects, or economic development projects within the City, Town, County.

Activities may include but will not be limited to contributing matching funds to augment state and federal funding for City, Town, County projects.

**TYPES OF FINANCING AVAILABLE**

a. **Business Support Loans**

Eligible applicants may apply for loan assistance to finance activities that will strengthen their business and increase the likelihood of retaining or expanding the business within the designated Business/Commercial District or Designated Location.

Activities may include but will not be limited to:

- preparation of business plans
- market studies
- project feasibility studies
- computerization/operational assistance

Amounts of loan requests for Business Support Loans will not exceed $xxx, or XX% of total activity cost. Loans will be amortized over a X-year term at no less than X% interest and no greater than X% interest.

b. **Business Direct Loans**

Eligible applicants may apply for assistance to finance predetermined and documented business retention and/or expansion of activities. Loan proceeds may be used for the following activities:

- building/site acquisition
- site development/new construction
- building renovation
- equipment acquisition
- working capital

Amounts of loan requests for Business Direct Loans will not exceed $xxx or xx% of total activity cost. Terms of the loans will not exceed seven (7) years for working capital loans or ten (10) years for all other building related or equipment loans. Interest rates will be no less than X% or greater than X%.

c. **Interest or Principal Buy-downs**
Eligible applicants may apply for financial assistance in the form of an interest or principal buy-down of a commercial loan. The proceeds of the commercial loan must be used for program eligible activities as described herein for Business Support or Business Direct loans.

d. Eligible applicants who own or intend to purchase a building within the Business/Commercial District may make a one-time application for loan assistance to finance exterior renovation, signage, facade renovation or construction. Loan amounts will not exceed $XXX, amortized at X% over a X-year term.

II. APPLICATION PROCEDURES
The Revolving Loan Fund Committee will accept loan applications on an open-cycle basis. The application deadline will be 5:00 p.m. the last working day of any week. Completed loan applications may be mailed or delivered to Location on or before the application deadline. (See application form - Attachment A)

Applicants should use the application summary and attach all required information. In addition, the for-profit business or nonprofit entity should complete the Business Application Requirements section of the guidelines.

Applications that propose public improvements as assistance to businesses will be accepted by Name of Entity and reviewed with similar procedures as loans to for-profit businesses. The application must include a complete business plan and financial package for each business assisted.

Applications will be reviewed and analyzed by the committee and Other Entity, (if applicable) on a “first come, first served” basis, as determined by the date of the full application is found to be complete by Name of Entity.

Applicants should also be aware that in most cases it may take two to four weeks before any funds will actually be received after the decision to award a grant has been made.

LOAN REVIEW PROCESS
Loan applications received on or before the application deadline will receive a preliminary review by the Loan Review Committee to determine completeness of each application. Only complete applications will be advanced to the formal review process.

The loan review committee is comprised of Name of Entity members who at present consist of two banking representatives, two business representatives, and two rural representatives. This makeup allows for replacement by appointment from (Name of Entity).

The Committee will review each application for compliance with program objectives.
Each application will be evaluated separately on a first-come first-served basis. Should requests for funds exceed funds available, applications that are deemed to represent a likelihood of broadest impact will receive the most favorable review.

**Ranking of Applications**

Each Revolving Loan Fund application for assistance will be ranked in five categories, a best ranking will equal 5 points, an average ranking will equal 3 points, and a poor ranking will equal 1 point. Any application receiving less than a poor score in a category is ineligible for the benefits of this program and will be rejected.

1. Business proposal is appropriate for the city and this program.

   - Best = 5 points
   - Average = 3 points
   - Poor = 1 point

2. Number of jobs created or retained.

   - Greater than 10 jobs = 5 points
   - Between and including 5 and 10 jobs = 3 points
   - Less than 5 jobs = 1 point

3. Cost per job.

   - Less than or equal to $5,000/job = 5 points
   - $5001 - 10,000 job = 3 points
   - $10,000/job - $20,000/job = 1 point

4. Business proposal is financially feasible.

5. Percent benefit to Low and Moderate Income Persons

   - 80% - 100% = 5 points
   - 60% - 79% = 3 points
   - 51% - 59% = 1 point

   Note: Compute by dividing the number of jobs created for and/or retained by LMI persons by the total number of jobs created and/or retained.

6. Area economic impact: Project which has the broadest potential for impact on other area businesses, or real estate values, or school enrollments, or agriculture, etc., will be given a “Best” (5 points). Other applications will be ranked against the best application, with the next best receiving an “Average” (3 points).

Within 60 calendar days from the application deadline, the Committee will provide the City Council with a written evaluation of each loan application, accompanied with a recommendation for loan approval or rejection by the Council.
PRIORITIZING APPLICATIONS

In addition to ranking individual applications, Revolving Loan Fund expenditures will be prioritized as follows:

1. Business expansions to enhance job retention or creation;
2. New business, locating within the RLF Assistance Area, which creates jobs;
3. Start-up of business with job creation potential;
4. Revitalization of business property;
5. Demolition for blight removal.

III. ANNUAL REPORT

As required by the Montana Department of Commerce, an annual report of Revolving Loan Fund activities will be submitted to the Community Development Block Grant – Economic Development Program along with a proposed budget for the following year.

AMENDMENTS TO THE ECONOMIC DEVELOPMENT REVOLVING LOAN FUND GUIDELINES

The Name of Entity may amend these guidelines by a majority vote of the Name of Entity and approved by the Montana Department of Commerce. Amendments will be incorporated into a revised statement of the CDBG Economic Development Program Income Revolving Loan Fund Guidelines.

APPROVED:

___________________________________________  _______________________
Local Government Official  Date

___________________________________________  _______________________
Non-Profit Representative  Date

ATTEST:

___________________________________________  _______________________
Name  Date
Local Government or Non-Profit Entity
CDBG Economic Development Revolving Loan Fund
January 1, October 2013 – December 31, October 2013
BUDGET

INCOME

1. Loan payments
   Interest only, projected $ 15,222
   Principal and interest $ 22,076
TOTAL INCOME $ 37,298

EXPENSES

ADMINISTRATION
Personnel Services
1. Salaries, Wages, Benefits, Office Costs $ 1,500
2. Supplies $ 150
3. Postage/Printing $ 100
4. Telephone $ 100
5. Legal $ 600
TOTAL ADMINISTRATION $ 2,500

ACTIVITY
Project Development
6. Legal Publications $ 250
7. Architect/Engineering Services $ 2,500
8. Consulting Services $ 2,500
9. Legal Documentation $ 500
   TOTAL PROJECT DEVELOPMENT $ 5,750

Project Participation
10. Land Acquisition $ 0
11. Demolition/Clearance $ 0
12. Architect/Engineering Services $ 2,500
13. Construction $ 14,800
14. Other $ 0
   TOTAL PROJECT PARTICIPATION $ 17,300

TOTAL EXPENSES $ 25,550

Income $37,298
(minus) -Expenses $25,550
Total Revolving Loan Fund $11,748

NOTE: Budget line carryovers will be allocated to RLF.
BUDGET NARRATIVE

ADMINISTRATION

1. Personnel Services:
   Calculated at $15/hr. 10 hrs./month, 10 month period $ 1,500

2. Supplies: estimated Program Costs (10 months) $ 150

3. Postage/printing: estimated Program Costs $ 150

4. Telephone: estimated Program Costs $ 100

5. Legal: estimated Program Reimb. for Co. Attorney/program time $ 600

   Total Administration ...............................................................$ 2,500

ACTIVITIES

6. Legal Publications:
   Public Hearings - Water Project ($40)
   Prof. Procurement - Water Project ($65)
   Public Hearings - County Jail Project ($40)
   Public Hearings - E.D. Project ($40)
   Procurement - E.D. Project ($65)
   Subtotal .....................................................................................$ 250

7. Architect/Engineering Services Schematic Design - Jail Project $ 2,500

8. Consulting Services: Grant Preparation - E.D. Project $ 2,500

9. Legal Documentation: Prof. Svcs Contract Prep. and/or review $ 500

10. Land Acquisition $ - 0 -

11. Demolition/Clearance $ - 0 -

12. Architect/Engineering Services
    Constr. drawings, permit plans - handicapped accessibility proj. $ 2,500

13. Construction - Handicapped Access Project $14,800

14. Other $ - 0 -

   Total Activity ...............................................................................$25,550
ATTACHMENT A

Local Government or Non-Profit Entity

LOAN APPLICATION
Program Income Revolving Loan Fund

* * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * *

APPLICANT INFORMATION:

Name of Business: __________________________________________
Address: __________________________________________________
Telephone: ________________________________________________
Tax ID Number: ____________________________________________
Contact Person: _____________________ _______________________

Number of Years in Business: ______
Form of Business: Sole Proprietorship: ___ Partnership: ___
Corporation: ___ Other ___

Business Description (attach additional sheet if more space is required):

TYPE OF LOAN REQUESTED:

Business Support _____
Business Direct _____
Interest Buydown _____
Business District Revitalization _____.

NOTE:
Additional information may be requested by the Committee. That information may include, but may not be limited to the following financial exhibits; most current Balance Sheet; Profit and Loss Statement; Cash Flow Statement; Reconciliation of Net Worth; Earning Projections; and/or current personal financial statement for the business owner or any individual with more than 10% ownership.
Amount of Loan requested:___________________________________________

Source and amount of matching funds (if applicable)

Source _________________________
Amount _________________________

Purpose of Loan:

Certification:

As the responsible certified agent for ______ (name of business), I hereby submit this application for loan assistance from the Local Government or Non-Profit Entity Revolving Loan Fund. The information presented in this application is, to the best of my knowledge, true and accurate. I further acknowledge that any employment positions retained or created as the result of a loan must benefit no less than 51% low to moderate income persons.

_______________________________  ________________________________
Signature                     Name and Title

______________________________
Date