



Morgan County Revolving Loan Fund

JANUARY 15, 2016

Who We Are

- Public-Private Partnership; 501(c)6 non-profit
- Public Partners: Morgan County, City of Martinsville, Town of Mooresville
- Private Partners: 11 Gold, 3 Silver, 3 Bronze
- Martinsville and Mooresville Chambers
- Ivy Tech Community College



Source: IBRC at Indiana University's Kelley School of Business, using data from the U.S. Census Bureau, March 2012.

Board of Directors



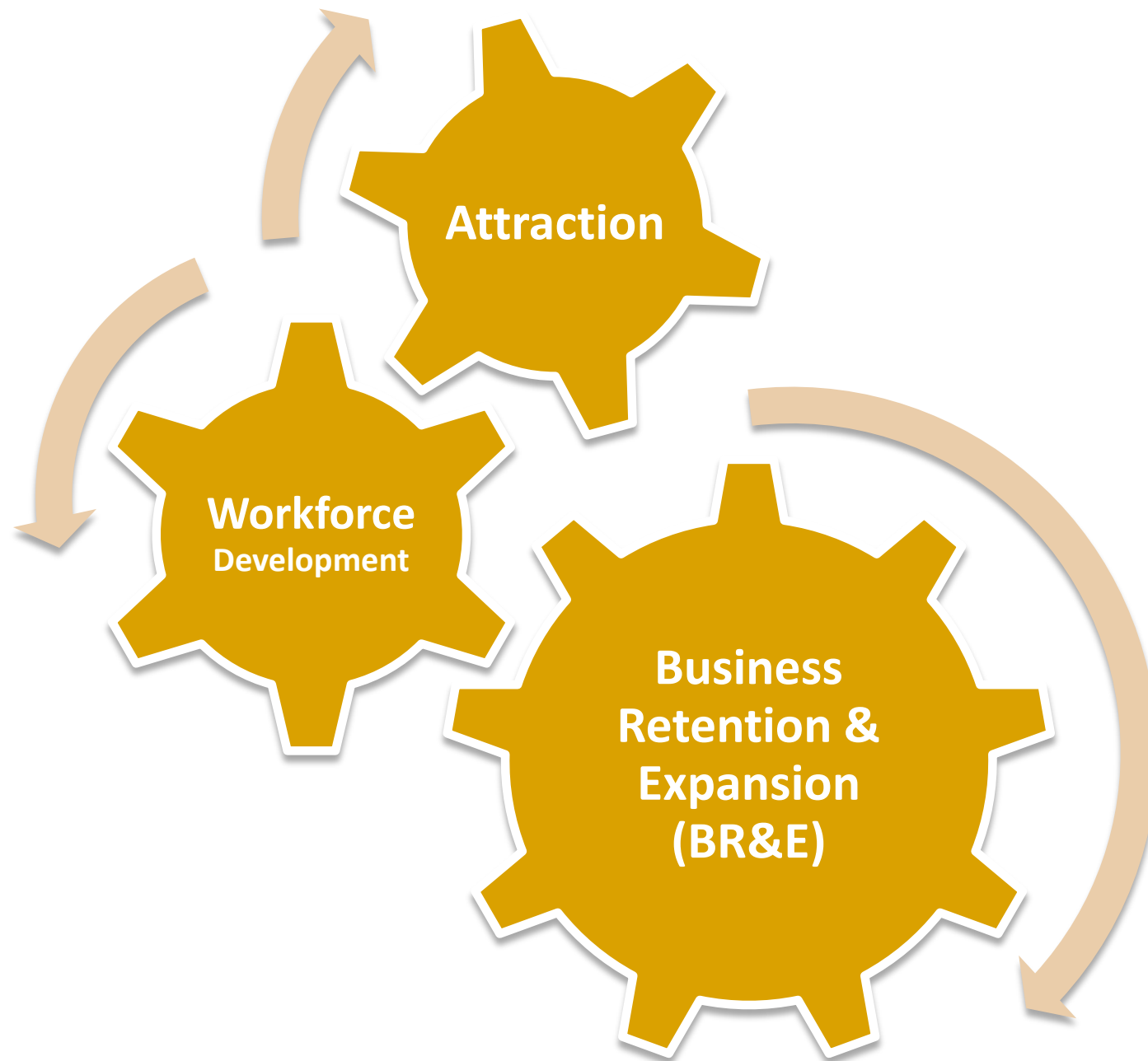
Morgan



Economic Development

- New Jobs
- Capital Investment

The Indiana Economic Development Association defines economic development as the facilitation of investment that leads to long-term community prosperity.



Economic Development Tools (Federal)

- SBA / USDA Loans, Loan Guarantees, and Grants
 - To assist businesses / improve essential public services and facilities

Economic Development Tools (State)

- Economic Development for a Growing Economy Tax Credit (EDGE)
- Skills Enhancement Fund (SEF)
- Indiana Small Business Development Center (ISBDC)
- WorkOne
 - On-The-Job (OJT) Training Funds
 - Hire a Vet
 - Federal Bonding
 - Worker Opportunity Tax Credit

Economic Development Tools (Local)

- **Tax Phase-Ins (Abatements)** on Real and Personal Property investments
- **Tax Increment Financing (TIF)** for infrastructure improvements and workforce training
- **Morgan County Economic Development for a Growing Economy (EDGE) Tax Credit** to reimburse Economic Development Income Tax (EDIT) that must be paid for one's Morgan County employees
- **Morgan County Revolving Loan Fund** for small businesses in rural areas to invest in fixed assets, machinery and equipment, and working capital

Morgan County RLF

- MCEDC received a Rural Business Enterprise Grant from USDA
- In general, eligible projects for loans can include any business venture involved in a community or economic development project that promotes job creation and/or provides needed community services
- Uses of RLF loan proceeds may be for fixed assets, machinery and equipment, or working capital needs
- Minimum: \$1,000 Maximum: \$25,000
- Interest: 3% unless otherwise voted on by MCEDC Board of Directors
- Term: shall not exceed 4 years

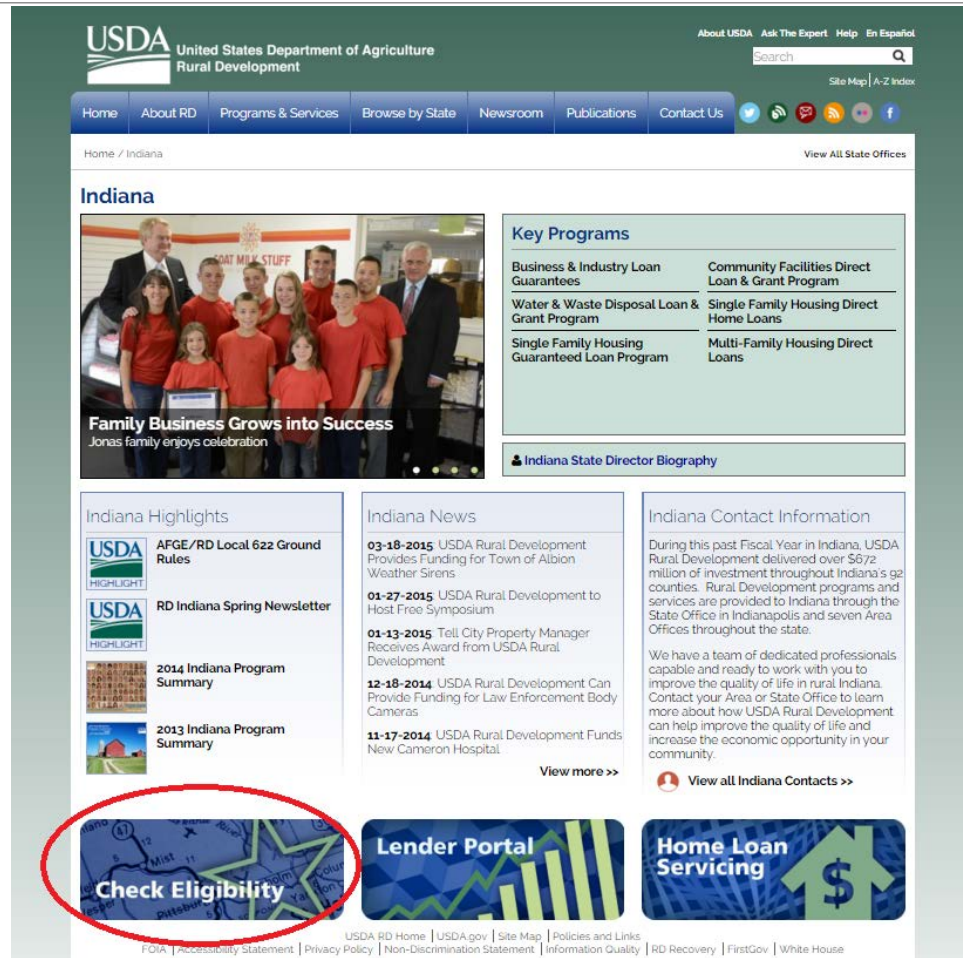
Ineligible Uses

- Refinances of existing debts
- Illegal activities
- Legal activities that, in the opinion of the MCEDC board of directors, adversely affect the RLF interests
- General improvement loans related to normal replacement needs of a business and unrelated to business expansion/job creation
- Promoting religious or ideological beliefs
- Funding businesses which are not permitted by local, state, or federal laws
- Used to pay wages or draws to owners or partners
- Pyramid Sales Distribution Plans

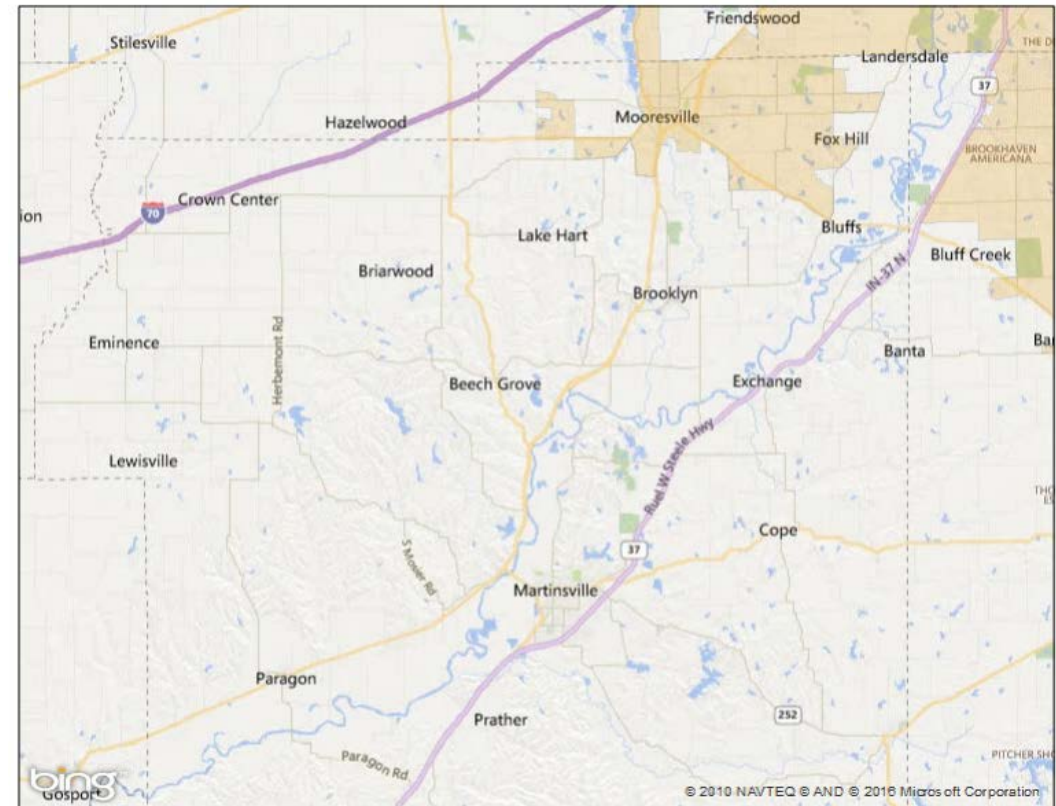
Ultimate Recipient Requirements

- Project must fall in a rural area
- Must be a U.S. resident/citizen
- Minimum of 21 years of age to apply
- Registered with Indiana Secretary of State
- Startups must have additional income to cover living expenses and pay back the loan
- Must have a DUNS number
- Must have a Federal Tax Identification Number
- Business plan must be provided
- Credit history check will be performed
- Must have some sort of Collateral in line with the loan amount
- Business liability, property, and asset insurance must be in place and kept up to date
- Borrowers must sign a personal guarantee
- Payments must be paid via ACH

Where are the “rural areas?”



The screenshot shows the USDA Rural Development website for Indiana. The header includes the USDA logo, navigation links (Home, About RD, Programs & Services, Browse by State, Newsroom, Publications, Contact Us), and a search bar. The main content area is titled "Indiana" and features a large photo of a family with the caption "Family Business Grows into Success". Below this, there are sections for "Key Programs" (Business & Industry Loan Guarantees, Water & Waste Disposal Loan & Grant Program, Single Family Housing Guaranteed Loan Program, Community Facilities Direct Loan & Grant Program, Single Family Housing Direct Home Loans, Multi-Family Housing Direct Loans), "Indiana State Director Biography", "Indiana Highlights" (AFGE/RD Local 622 Ground Rules, RD Indiana Spring Newsletter, 2014 Indiana Program Summary, 2013 Indiana Program Summary), "Indiana News" (03-18-2015 USDA Rural Development Provides Funding for Town of Albion Weather Sirens, 01-27-2015 USDA Rural Development to Host Free Symposium, 01-13-2015 Tell City Property Manager Receives Award from USDA Rural Development, 12-18-2014 USDA Rural Development Can Provide Funding for Law Enforcement Body Cameras, 11-17-2014 USDA Rural Development Funds New Cameron Hospital), "Indiana Contact Information" (During this past Fiscal Year in Indiana, USDA Rural Development delivered over \$672 million of investment throughout Indiana's 92 counties. Rural Development programs and services are provided to Indiana through the State Office in Indianapolis and seven Area Offices throughout the state. We have a team of dedicated professionals capable and ready to work with you to improve the quality of life in rural Indiana. Contact your Area or State Office to learn more about how USDA Rural Development can help improve the quality of life and increase the economic opportunity in your community. View all Indiana Contacts >>), "Lender Portal", and "Home Loan Servicing". A red circle highlights the "Check Eligibility" button in the bottom left corner.



Application Process

- Contact MCEDC
- Complete Application
- Loan Review Committee
- Meeting with ISBDC
- Denied or recommended to MCEDC Board of Directors
- MCEDC Board of Directors vote
- Legal documentation signed
- Check disbursed to Ultimate Recipient

Contact Us

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