



## VICTOR LOCAL DEVELOPMENT CORPORATION BUSINESS LOAN PROGRAMS

The Victor Local Development Corporation (VLDC) offers business owners in the Village and Town of Victor lower cost alternatives to filling gaps in financing packages. Assistance is provided through two loan fund programs described below.

### **Loan Option 1. - VILLAGE REVOLVING LOAN FUND (Village only)**

**Purpose:** This loan fund provides assistance for development and attraction of new projects that will positively affect and enhance the Downtown commercial area

**Eligible Area:** **Within the Village of Victor**

#### **Eligible and Ineligible Use of Loan Funds:**

1. Renovations and/or additions to facilities in the Village commercial area.
2. Acquisitions and/or new construction.
3. Purchase of equipment to enhance services or good will to employees.
4. Working capital, new product development, and other activities that will enhance Victor's downtown commercial district aesthetically, socially and economically.
5. Proceeds must enhance or develop retail or service businesses.
6. *Funds will not be loaned for repayment of debt, refinancing or acquisition of vehicles.*

**Borrower Eligibility:** The loan program will serve small businesses located in the Village of Victor that meet the VLDC's creditworthiness requirements. These requirements include, but are not limited to, not being in arrears or default on obligations involving:

- Real estate taxes
- Mortgage payments
- Federal and State obligations including the filing of all tax returns
- Other debts including any past or current VLDC loans
- Revolving credit loans and related obligations

- Unsatisfied judgements or other claims that would interfere with any VLDC rights in any collateral assignments or need for collection
- Student loans or government loans of any type

**Project Eligibility:**

Applicants must provide detailed information onto the VLDC’s Loan Fund Committee that substantiates the eligibility of the project and provides the VLDC with information necessary to determine the creditworthiness of the applicant. **In addition** to the completion of the VLDC’s loan application, **the applicant must provide a narrative on how the proposed project enhances the Village business district.**

**Loan Guidelines:**

1. Commitment Fee: \$50.00 due to the VLDC upon receipt of the loan application.
2. The range of loans is limited to a minimum of \$5,000 and maximum of \$50,000 (dependent on funds available at time of loan).
3. Loans are to be made in one (1) year increments with a maximum term of five (5) years. Flexibility may be available upon request for deferrals of principal and/or interest for a defined number of months.
4. Loans will be interest free but loan fees will be assessed and paid at the time of loan origination. The fee will be 2.5% of the principal for each year of the loan. This fee can be paid from the proceeds of the loan. Actual origination fee will be at the discretion of the board.
5. Loan Structure: A minimum of 20% equity injection is normally required for all loan projects. Participation by commercial banking institutions is to be encouraged wherever possible. The VLDC will make determinations about loan structuring on a project by project basis.
6. Job Creation Requirements: While job creation is an objective of the program, no job requirements will be assigned to borrowers.
7. Policies, terms and conditions of the loan fund programs are subject to VLDC modification at any time.
8. Security: All loans will be reviewed for the possible need for security. The types of security may/ may not include and are not limited to the following:
  - Personal Guaranties
  - Mortgages
  - General Security Interests
  - Insurance

**PROCEDURES, PROCESS AND TIMELINES FOR VLDC LOANS  
(60 to 90 Day Process)**

<b>Time</b>	<b>Process</b>
<b>Several Weeks to a month</b>	<b>The VLDC's Executive Director will market and recruit loan applicants. When a business owner is interested in applying for a loan, the Executive Director will provide such application after a meeting. Application also available on-line at <a href="http://www.victorldc.org">www.victorldc.org</a>.</b>
<b>Several days to several weeks</b>	<b>The applicant completes the application and submits it to the VLDC where they will review the application for completeness. Additional information will be requested when necessary.</b>
<b>One week</b>	<b>The bank of record for the VLDC will run a credit check on the applicant and the business. This will be a tool utilized in decision making not a sole reason for award/denial.</b>
<b>One to two weeks</b>	<b>The Executive Director prepares a summary to be submitted to the Loan Committee. The report will include a summary of the financial data in a spreadsheet format, the credit report (s), and the project history. At the same time, a date will be determined for the loan review meeting.</b>
<b>One day</b>	<b>The Loan Committee will meet and vote on the application.</b>
<b>One day to several weeks</b>	<b>The VLDC Board meets and approves or disapproves the recommendation</b>
<b>One week</b>	<b>A commitment is sent to the applicant and will detail any necessary documentation for closing and any necessary contingencies on the loan.</b>
<b>Several weeks to several months</b>	<b>The loan closes, documents are signed and the loan is disbursed</b>
<b>Each month</b>	<b>Repayments will start one month after closing and the applicant will be given an amortization schedule.</b>

Legal documents will consist of the commitment letter, a promissory note (or a mortgage if real estate is taken as collateral) and a personal guarantee. The applicant will only pay any actual disbursements incurred by legal counsel engaged by the VLDC for loan closings.

**Loan Option 2. - VICTOR BUSINESS DEVELOPMENT LOAN FUND  
(Town only)**

**Purpose:** This loan fund is intended to encourage expansion and growth of businesses within the Town of Victor, outside the Village of Victor, along with the creation of job opportunities.

**Eligible Area:** **Within Town of Victor but outside Village of Victor boundaries.**

**Eligible and Ineligible Uses of Funds:** Funds will be loaned for most business needs including:

1. Machinery or equipment
2. Building acquisition
3. New construction
4. Remodeling
5. Inventory
6. Training,
7. Working capital
8. Other key business expenses that support expansion or start-ups.
9. *Funds will not be loaned for repayment of debt or refinancing or acquisition of vehicles.*

**Borrower Eligibility:** The loan program will serve businesses located outside the Village of Victor that meet the VLDC's creditworthiness requirements. These requirements include, but are not limited to, not being in arrears or default on obligations involving:

- Real estate taxes
- Mortgage payments
- Federal and State obligations including the filing of all tax returns
- Other debts including any past or current VLDC loans
- Revolving credit loans and related obligations
- Unsatisfied judgements or other claims that would interfere with any VLDC rights in any collateral assignments or need for collection
- Student loans or government loans of any type

**Project Eligibility:** Applicants must provide detailed information to the VLDC's Loan Fund Committee that permits the committee to substantiate the eligibility of the project and to assess the creditworthiness of the applicant. Any lawful business activity located or to be located within the Town of Victor including manufacturing, retail, service, tourism, and agriculture. Any other business not classified as one of the above will be subject to VLDC review and approval.

**Loan Guidelines:**

1. Commitment Fee: \$50.00 due to the VLDC upon completion of a loan application
2. The range of loans is limited to a minimum of \$5,000 and a maximum of \$50,000 (dependent on funds available at time of loan).
3. Loans are to be made in one (1) year increments with a maximum term of five (5) years.
4. Loans will be interest free but loan fees will be assessed that are to be paid at the time of loan origination. The fee will be 2.5% of the principal for each year of the loan. This fee can be paid from the proceeds of the loan. Actual origination fee will be at the discretion of the board.
5. Loan Structure: A minimum of 20% equity injection is normally required for all loan projects. Participation by commercial banking institutions is to be

encouraged wherever possible. The VLDC will make determinations about loan structuring on a project by project basis.

6. Job Creation Requirements: While job creation is an objective of the program, no job requirements will be assigned to borrowers.
7. Policies, terms and conditions of the loan fund programs are subject to VLDC modification at any time.
8. Security: All loans will be reviewed for the possible need for security. The types of security may/ may not include and are not limited to the following:
  - Personal Guaranties
  - Mortgages
  - General Security Interests
  - Insurance

### **VLDC LOAN APPLICATION FORMS**

All applicants for loans from the VLDC will be required to fully complete and sign the Loan Fund Application. All information specified in the application must be submitted with the application. All applicants are required to meet with the VLDC’s Executive Director for a preliminary review of a proposed project and will be required to meet with the VLDC’s Loan Committee to discuss their projects and need for financing.

### **PROCEDURES, PROCESS AND TIMELINES FOR LDC LOANS (60 to 90 Day Process)**

<b>Time</b>	<b>Process</b>
<b>Several Weeks to a month</b>	<b>The VLDC’s Executive Director will market and recruit loan applicants. When a business owner is interested in applying for a loan, the Executive Director will provide such application after a meeting. The application is also available on-line at <a href="http://www.victorldc.org">www.victorldc.org</a>.</b>
<b>Several days to several weeks</b>	<b>The applicant completes the application and submits it to the VLDC where they will review the application for completeness. Additional information will be requested when necessary.</b>
<b>One week</b>	<b>The bank of record for the VLDC will run a credit check on the applicant and the business. This will be a tool utilized in decision making not a sole reason for award/denial.</b>
<b>One to two weeks</b>	<b>The Executive Director prepares a summary to be submitted to the Loan Committee. The report will include a summary of the financial data in a spreadsheet format, the credit report (s), and the project history. At the same time, a date will be determined for the loan review meeting.</b>
<b>One day</b>	<b>The Loan Committee will meet and vote on the application.</b>

<b>One day to several weeks</b>	<b>The VLDC Board meets and approves or disapproves the recommendation</b>
<b>One week</b>	<b>A commitment is sent to the applicant and will detail any necessary documentation for closing and any necessary contingencies on the loan.</b>
<b>Several weeks to several months</b>	<b>The loan closes, documents are signed and the loan is disbursed.</b>
<b>Each month</b>	<b>Repayments will start one month after closing and the applicant will be given an amortization schedule.</b>

Legal documents will consist of the commitment letter, a promissory note (or a mortgage if real estate is taken as collateral) and a personal guarantee. The applicant will only pay any actual disbursements incurred by legal counsel engaged by the VLDC for loan closings.

**VLDC Contact Information:**

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