

## **CDBG LOAN FUND BASIC PROGRAM REQUIREMENTS**

1. **JOB CREATION** - All projects must create or retain one fulltime job per \$35,000 loaned. Two halftime jobs equal one fulltime job, four quarter-time jobs equal one fulltime job.
2. **BANK PARTICIPATION** - Direct bank involvement or a rejection letter from a local bank is needed for all projects. CDBG funding cannot compete with private financing.
3. **GAP FINANING** - Applicants must demonstrate a financial gap in the proposed project exists and that CDBG funds are needed to bridge this gap
4. **LOW-INCOME BENEFIT**, at least 51% of new hires must have a family income below 80% of county median
5. **PROOF OF EMPLOYEE INCOME**, all employers must provide proof of income for Targeted Income Group hires
6. **FINAL HCD APPROVAL**, all loans must be approved by the State Department of Housing and Community Development. Approval by local loan committee is not a guarantee of receiving a loan.
7. **REASONABLE RETURN ON INVESTMENT**, no loan may provide an unusually large return on borrower's investment into the project.

All projects must be fully secured, preferably by real property. The strongest projects will have financing from a bank, or a private lender as well as CDBG funding. It is expected that borrowers will also contribute financing to the project. All applicants will need to fill out an application that includes tax returns, projections, financial statements, a business plan, a market analysis and other requirements.