

## Chatham Loan Fund

- \$400,000 CDBG loan to Performance Bicycle (Before 1999)
- Final principal payment made by Performance in 2001.
- County was allowed to keep both the principal and interest payments paid by Performance Bicycle with no restriction on future use .
- On June 30, 2001 the balance in that account was \$850,998.
- In 2002 the Board of Commissioners approved the use of a portion of that money for the 3M Reuse project. (\$650,000)

In November 2004, the Chatham County Board of Commissioners authorized the Chatham County EDC to use remaining funds to create a small business loan fund.

EDC was charged with:

- Creating guidelines
- Review applications and make recommendation to the BOC
- Minimum of 50% of funds to be used for minority owned businesses

In August 2005, EDC approved creation of six-member Loan Advisory Board to include three minority members.

Loan Advisory Board was charged with :

- Interviewing loan applicants
- Reviewing financial information
- Determining merit
- Checking references
- Making recommendations

Six members were appointed in late fall of 2005.

One application was received, but later withdrawn.

In 2007-2008 EDC undertook a thorough review of the fund.

Margie Ellison, EDC Board member, chaired the effort to review the fund including:

- Reviewing the maximum loan size
- Moving policies to targets or preferences rather than requirements, e.g.
  - Preference to minority and women owned businesses
  - Preference to businesses in EDC targeted industry clusters
  - Preferences to businesses locating in existing vacant or underutilized properties
  - Other preferences as priorities emerge.
  - Try to find a lender/partner for the program

Contracted with Self-Help Ventures Fund to administer the Chatham Loan Fund

Agreement with Self- Help signed in September 2008

Funds were transferred to a non-interest bearing account at Self-Help

Self-Help closed four loans

- The Food Fairy
- Williams Clinic of Chiropractic
- Third Street Vet
- Joint Orange Chatham Community Action

On September 10, 2013 at the EDC Board retreat the Board voted to revise the program and not to renew the contract with Self-Help. Disappointed in the performance of the program and felt that Durham was not the most accessible point of access to most Chatham residents.

Moved the funds to an interest bearing account and open the program up to all local banks including Self-Help.

Voted to adopt a \$50,000 per loan cap and limit collateral to 50% of the total loan to be administered by the Executive Committee and the EDC President.

Since the last revision in 2013 there has been an average of 1 loan per year (an annual loan for JOCCA until they left the County)

Upturn in the program recently.

- Two loans in the first half of 2018 another in the works

## Summary:

Current value of Chatham Loan Fund:	\$279,329.32
Encumbered amount:	\$ 85,000.00
Available for new loans:	\$194,329.32

### Outstanding Loans:

- Third Street Vet – Siler City
- Carolina Tiger Rescue – Pittsboro
- Reading, Writing, Arithmetic (RWA)

### Remaining Balance Available:

- \$50,000 in non-interest bearing Self-Help Credit Union
- \$144,329 in a low risk, liquid investment account at First Citizens