

**Redwood Region Economic Development Commission**  
**LOAN COMMITTEE**  
**Tuesday, April 20, 2010**  
**3:30 p.m.**

**Minutes**

**Present:** Jennifer Budwig, Helen Edwards, Scott Pesch, Sherman Schapiro, Frank Scolari, Dan Sweet

**Absent:** Phil Sullivan, Liana Simpson, Dean Charlton (alternate), Angela Machado (alternate)

**Staff Present:** Gregg Foster, Virginia Fisher, Bonnie Smoller

**I. Call to Order**

Chair Scott Pesch called the meeting to order at 3:32 p.m. A quorum was present.

**II. Approval of Agenda and Minutes**

**M/S/P: Edwards/Scolari** to approve the agenda and the minutes of March 16, 2010.

**III. Public Input**

None

**IV. Old Business**

None

**V. New Business**

**A. Revolving Loan Fund (RLF) Policies:** Recently there have been a number of loan inquiries where the amount of collateral is not sufficient for EDA loan guidelines. Overall market conditions have affected all lenders, and there is concern for borrowers who are strong in all areas except collateral.

It was proposed that a scoring tool based on the *5 C's of Credit* could be used to determine the loan-worthiness of borrowers.

*The five key elements a borrower should have to obtain credit: character (integrity), capacity (sufficient cash flow to service the obligation), capital (net worth), collateral (assets to secure the debt), and conditions (of the borrower and the overall economy).*

Examples of scoring models used by other lenders will be reviewed and staff asked for input from the group regarding what they would like to include in the model. The result will be brought back to the committee and the final model sent to EDA for approval.

**VI. Adjourn**

The meeting was adjourned at 4:14 p.m.