

**Redwood Region Economic Development Commission
LOAN COMMITTEE
Tuesday, June 19, 2012
11:00 a.m.
Minutes**

Present: Greg Bowen, Dean Charlton (alternate), Scott Pesch, Bruce Rupp, Frank Scolari, Phil Sullivan

Absent: Jennifer Budwig, Sherman Schapiro, Liana Simpson, Dan Sweet, Pat Whitchurch

Staff Present: Don Ehnebuske, Virginia Fisher, Bonnie Smoller

I. Call to Order

Chair Scott Pesch called the meeting to order at 11:00 a.m.

II. Approval of Agenda and Minutes

Scolari/Sullivan to approve the agenda and the minutes of Jan. 17, 2012

III. Public Input

None

IV. Old Business

None

V. New Business

A. Update of RREDC Activities: The committee was updated on status of the loan clients. Don Ehnebuske was introduced to members. He became executive director since the loan meeting was last held. There was support for the idea of RREDC collaborating with other agencies to put on a Lender's Night informational meeting for potential borrowers.

B. Microloan Program: RREDC loan volume has decreased over the past few years. Offering a microloan program for borrowers who need smaller loans would give RREDC a program to help an underserved segment of the business community.

The approval process would be streamlined for microloans but applicants would have to provide all necessary information and have a secondary income and ability to pay the loan.

Other points:

- \$100,000 would be the maximum amount of this loan fund
- \$5,000 to \$10,000 would be typical loan amount
- loan terms would not exceed five years
- interest rates to be 9%-11% fixed. A lower rate may be offered for good credit risks.
- approval would be done by the Lender and Executive Director
- This would be a trial project for 24 months

M/S/P: Charlton/Rupp to authorize staff to bring this item as presented, with additional comments from the Loan Committee, to the Executive Committee for their consideration.

VI. Adjourn

The meeting adjourned at 11:45 a.m.