



**Product Guideline
Localworks
Business Loan Program**

Eligible Borrowers:	Business owners or building owners located in the target area.
Eligible Property:	All commercial properties on 38 th Avenue between Sheridan and Wadsworth.
Eligible Project Costs:	Exterior façade improvements; sign repairs or replacement, interior renovations, small business equipment purchases, new commercial building development. The projects must include exterior improvements visible from the street.
Purpose:	This program is intended to encourage new façade improvements, large scale renovations, significant investment in commercial properties along the 38 th Avenue Corridor, and not to perform routine maintenance or minor upgrades. The purpose is to fulfill the goals of the Neighborhood Revitalization Strategy (NRS).
Loan Amounts:	Minimum \$10,000; Maximum \$50,000. 1 st or 2 nd mortgage loans.
Term:	Up to 120 month terms with up to 240 month amortizations depending on, ownership of property, life of assets, or lease term.
Loan Rates:	0% interest rate for the first year, increasing to 4% interest for years 2 through 5, and increasing to prime plus 2%, with a floor of 4% and a ceiling of 8%, in years 6 through 10.
Loan Fees:	IDF origination fee charged at closing. Fees are subject to change per Impact Development Fund (IDF) fee schedule.
Design Construction Assistance:	Professional design assistance may be available through the Wheat Ridge Business District Revitalization Incentive Program.
Approval Criteria:	Evidence of sufficient cash flow to repay and sufficient collateral to secure the debt. Personal guarantees are required.
Taxes:	Owners receiving loan funding must be current on all Property Taxes of the City, County and School District, City Earned Income Tax, Business Privilege Tax, Business License, Per Capita Tax, Water and Sewer Bills, Garbage Fees, Rental Unit Registration/License Fees, Municipal Liens, and any Miscellaneous Invoices.
Exceptions Policy:	All aspects of program eligibility and underwriting criteria are subject to Localworks approval.

Origination Procedures

- Application:** Representative of Localworks submits to IDF the completed and signed Localworks Business Loan Application, Authorization to Release Information Form, Loan File Checklist and all documentation shown on the form. Confirmation of loan terms and remaining documentation requirements will be detailed.
- Processing:** IDF will order evidence of hazard insurance. Final loan documents are delivered electronically to Localworks for presentation to borrower. All outstanding items must be cleared prior to funding.
- Closing:** IDF will deliver closing instructions and loan proceeds direct to Localworks or third party escrow agent of record. Loan proceeds will be issued by check, payable to borrower, with restricted endorsement. All proceeds to reimburse borrower expenses related to authorized improvement projects where contractor, subcontractors, laborers and suppliers have executed a Lien Waiver statement, provided by IDF at settlement.
- Fees Collected:** Origination, title closing and public recording fees will be assessed and collected at settlement, as detailed within the Closing Disclosure (CD) prepared by IDF. Proceeds check will be net of IDF loan fees. Any fees due from the local agency will be collected outside of closing. IDF will review and approve the final first mortgage CD prior to funding.
- Requirements:** A representative of Localworks or local escrow agent is required to present all loan documents at the time of loan settlement. Both the borrower and agency representative must execute the certification form included within the loan set acknowledging disclosure of all loan terms and contact information. Each Borrower must acknowledge receipt of a standard Colorado Notice of Rescission, allowing cancellation of the mortgage within 3 business days of settlement.
- Settlement:** Localworks may elect to utilize a third-party escrow agent to present loan documents, collect signatures on all forms and disclosures, and record deed instrument. All loan proceeds must be accompanied by a statement of lien waiver, executed by all parties performing work or supplying materials affixed to the subject property. Borrower must also provide written acknowledgement that all work performed and supplies delivered to the property have been paid in full prior to funds distribution. No changes to the loan documents or loan amount shown on the Closing Disclosure (CD) are permitted without IDF authorization. Disbursement of funds is prohibited prior to expiration of the rescission period.
- Post Closing:** The original loan set must be returned to IDF within 48 hours of settlement via overnight courier. As set forth within the Loan Policies & Procedures Manual, IDF will retain all original documents and loan file. All loan servicing functions are performed by IDF with occasional assistance of Localworks, as warranted.