



CHF Revolving Loan Fund

Procedures for Loan Application, Closing and Servicing

I. LOAN APPLICATION AND COMMITMENT

- A. In order to determine whether and under what terms and conditions the CHF Revolving Loan Fund (CHFRLF) will make a loan, the Borrower must acquire a CHFRLF loan commitment. The first step in the process is the completion of a loan application by the Borrower.
- B. Loan applications should be made on application forms available from the CHFRLF or Colorado Housing and Finance Authority (CHFA). However, the Borrower may submit any bank's loan application package containing the equivalent information described below in lieu of submitting an official CHFRLF application.
- C. All loan applications shall include the following:
 1. A complete written description of the borrower's proposed project including a detailed budget showing both the sources and uses of all funds.
 2. Last three (3) years of the Borrower's financial statements and tax returns (included in the financial statements are the Income Statement, Balance Sheet, and Cash Flow Statement).
 3. An interim financial statement no more than ninety (90) days old.
 4. Two (2) years of financial projections, which must include an Income Statement, Balance Sheet, and Cash Flow Statement for each year.
- D. Additional information requirements:
 1. A business plan is encouraged for all applicants, but is **required** for start-up operations, businesses without three years of operating financial statements, businesses changing product lines or services, or businesses proposing a major expansion.
 2. Personal financial statements no more than ninety (90) days old may be required from all individuals with an ownership interest of twenty percent (20%) or more.

- E. After initial review by CHFRLF staff, the application is then forwarded to CHFA for financial review and the State Historical Fund (SHF) may be consulted for technical review of the historic preservation aspects of the project.
- F. The analysis and summary reports of both CHFA and the SHF are transmitted to the CHFRLF Loan Committee for a loan determination. In addition to approving or disapproving the loan, the Loan Committee will provide specific recommendations on loan terms, type of security to require and any other conditions of the loan. Following a decision by the Loan Committee, the CHFRLF Board of Directors will ratify such decision and, if the loan is approved, issue a written Loan Commitment specifying all terms and conditions of the loan.

II. LOAN CLOSING

- A. CHFA staff and CHF Revolving Loan Fund legal counsel will prepare all closing documents. Generally, draft documents will be available at least ten (10) working days prior to closing.
- B. All conditions cited in the Loan Commitment must be satisfied prior to closing.
- C. In order to prevent delays in closing, the Borrower should be aware that he/she is responsible for the following costs, most of which may be financed as part of the loan (if requested at the time of application):
 - 1. Credit reports on individuals and Dun & Bradstreet reports on company.
 - 2. Title commitment and policy.
 - 3. UCC filing fees for property and equipment.
 - 4. Recording fees for real estate.
 - 5. Appraisal and valuation fees.
 - 6. Loan commitment and origination fees as determined by the CHFRLF.
 - 7. Professional fees.
 - 8. Tax certificates.

9. Hazard insurance, with CHFRLF named as loss payee.

III. SERVICING OF LOANS

- A. Loan payments shall be made directly to CHFA. Loan payments are due the first (1st) of the month, with a late fee of five percent (5%) of the payment due with any payment received on or after the sixth (6th) day of the month.
- B. Monthly remittances to CHFA shall be mailed to the following address:

Colorado Housing and Finance Authority
CHF Revolving Loan Fund
1981 Blake Street
Denver, CO 80202-7363
- C. The Borrower must keep records of compliance with the terms and conditions of the loan and must agree to maintain all records on file for a minimum of ten (10) years from the end of the loan term.
- D. Collection procedures for delinquent loans will include, but not be limited to:
 1. Written notification of late fee assessment.
 2. Written reminder notices of delinquency to the Borrower at fifteen (15) and thirty (30) days delinquent.
 3. Follow-up reminder notices with telephone contacts with the Borrower at thirty (30) days delinquent and as necessary thereafter.
 4. Personal contact with the Borrower after thirty (30) days delinquent and on-site inspections of the project.
 5. Notification of default at sixty (60) days delinquent. Exercise of remedies per loan documentation.

Questions? Contact Executive Director Catherine Stroh catherine@cohf.org
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