EL PASO COUNTY
REVOLVING LOAN FUND

BOARD OF DIRECTORS
EL PASO COUNTY APPOINTMENT

Submit Application & Background Investigation to the
El Paso County Human Resources Department at:

800 E. Overland
Room 223
El Paso, TX 79901
Phone: (915) 546-2218
Fax: (915) 546-8126
Email: humanresources@epcounty.com

Board Liaison:
Family and Community Services
Irene Valenzuela
Phone: (915) 834-8201
Email: igvalenzuela@epcounty.com
Dear Applicant,

Thank you for your interest in applying to serve as a member of the El Paso County Revolving Loan Fund Board. This packet provides the necessary information for you to familiarize yourself with the responsibilities of this board and the necessary documents to begin the application process.

We appreciate your willingness to be involved in guiding the future of this board and its function of ensuring the health and vitality of our community.

As a member of this board, you will be expected to participate in the meetings and other tasks as deemed necessary to fulfill your post. You should participate actively in meetings and seeking as much information needed to help the board come to its decisions. Please be aware of the various duties, responsibilities and the time commitment that will be required of you.

After submitting this application, it will be reviewed and if it meets the qualifications needed to fill the vacancy, your information will be submitted for approval by the El Paso County Commissioners Court.

If you have any further questions please feel free contact the County Judge’s office at (915) 546-2098. Again, thank you for your leadership and commitment.

Sincerely,

Veronica Escobar
El Paso County Judge
EL PASO COUNTY REVOVLING LOAN FUND

Board Overview
The El Paso County Revolving Loan Fund (RLF) is a public sector financing tool designed to stimulate economic growth in the rural areas of El Paso County. The fund provides capital for private projects, which would not be possible without such assistance. The County created the RLF from program income via grants from the State of Texas originating in the U.S. Department of Housing and Urban Development.

The program complements the efforts of private financial lenders. The RLF goal is to create jobs and support capital formation in the private sector. The RLF fills gaps in the local financial market and provides or attracts capital which otherwise would not be available for economic development. In accordance with national objectives, RLF funds support the creation of new permanent jobs or permanently retaining existing jobs primarily for low and moderate-income persons. In order to comply with the national objective, persons who have a family income of less than 80% of the county median income must fill at least 51% of the permanent jobs created or retained by each business assisted with the RLF.

Duties
For purposes of the County’s Revolving Loan Fund Program, the County appointed members serve as an advisory body evaluating and making recommendations to the El Paso County Commissioners Court on the projects to be financed by the County’s RLF Program. The County RLF Board shall follow all TDHCA fund guidelines when evaluating loan applications and making recommendations. The El Paso County Commissioners Court has final loan authority.

Qualifications
It is preferred that the board members have one or more of the following characteristics in order to serve: previous experience in lending, accounting or bookkeeping or general business acumen with demonstrated experience. Members come from the private sector. To support the most current business practices, it is preferred that these individuals hold positions closely associated with areas of experience where possible without causing a conflict of interest to a loan application or the program. The members will comply with local and state conflict of interest policies and procedures in its deliberations for loan recommendations.

Seats
The RLF Board consists of five board members. The County Commissioners and County Judge each make one appointment for a two-year term. The terms are staggered to encourage continuity. The five members representing El Paso County shall also serve in the Joint City/County Revolving Loan Fund Board along with the other members appointed by and representing the City of El Paso.

Term
Each RLF Board member will serve a two year term. If a member resigns prior to the completion of his or her term, the replacement will serve the remaining portion of the term.
Meeting Times
County RLF board meetings will be called as needed to review and discuss new loan applications, delinquent loans and defaulted loans or to advise Commissioners Court on economic development strategies.
El Paso County Revolving Loan Fund Board Information

El Paso County Code of Ethics Training:
http://epcounty.com/ethicscom/training.htm
COUNTY OF EL PASO

REVOLVING LOAN FUND PROCEDURES MANUAL

A. Organizational Structure

1. Staff Capacity and Structure. Staff support for administering the El Paso County Revolving Loan Fund Program is provided by the designated Program Administrator. The administrative functions include, but are not limited to, the following:

- Marketing the RLF to small businesses and lenders;
- Providing technical assistance and guidance to companies making an application to the program;
- Compliance with all TDHCA grant requirements;
- Referring default loans to the County’s legal department for collection after the servicing contractor completes its due diligence; and
- Advising the El Paso County RLF Board on the eligibility of applicants and submitting qualifying applications, defaults, and/or delinquent loans.

a. Assistance to Applicants. The County’s designated Program Administrator will provide professional loan application packaging assistance as well as minimal small business guidance to companies applying to the program.

b. Identifying Other Financing Opportunities. The County’s Program Administrator will make direct referrals to appropriate financing agencies (public and private) for those companies that do not meet the required standards for loan approval under the County’s Revolving Loan Fund Program Guidelines.

In addition to loan packaging assistance and small business guidance, loan recipients will be encouraged to attend business seminars. The County’s Program Administrator will work closely with regional economic development providers, such as the local chambers of commerce, the City’s Economic Development Department and the County’s Cooperative Extension as well as with private business consultants, to help market the program and increase the opportunities for success for these companies.

2. RLF Board and Structure. The RLF Board consists of five board members. The County Commissioners and County Judge each make one appointment for a two-year term. The terms are staggered to encourage continuity. It is preferred that the board members have one or more of the following characteristics in order to serve: previous experience in lending, accounting or bookkeeping or general business acumen with demonstrated experience. Members come from the private sector. To support the most current business practices, it is preferred that these individuals hold positions closely associated with areas of experience where possible without causing a conflict of interest to a loan application or the program. The members will comply with local and state conflict of interest policies and procedures in its deliberations for loan recommendations.

The five members representing El Paso County shall also serve in the Joint City/County Revolving Loan Fund Board along with the other members appointed by and representing the City of El Paso. For purposes of the County’s Revolving Loan Fund Program, the County appointed members serve as an advisory body evaluating and making recommendations to the El Paso County Commissioners Court on
the projects to be financed by the County’s RLF Program. The County RLF Board shall follow all TDHCA fund guidelines when evaluating loan applications and making recommendations. The El Paso County Commissioners Court has final loan authority.

Each RLF Board member will serve a two year term. If a member resigns prior to the completion of his or her term, the replacement will serve the remaining portion of the term.

County RLF board meetings will be called as needed to review and discuss new loan applications, delinquent loans and defaulted loans or to advise Commissioners Court on economic development strategies.

1. **Servicing Contractor.** The County of El Paso through local procurement methods will contract with a qualified organization to provide loan servicing for new and existing County Revolving Loan Fund accounts. The contract will be for one year of service but is renewable with successful performance. The following will be expected of the Contractor:

   a. Conduct and document loan servicing for all new and existing loan recipients.
   b. Verification of loan payments; on-going success of a start-up business enterprises and confirmation of job creation efforts.
   c. Work with small business owners that have trouble maintaining appropriate payment schedule around cash management and loan payment requirements.
   d. Make recommendations to Loan Board for workouts for loan recipients that need a modification of loan terms.
   e. Maintain a record of all servicing visits for loan recipients to ensure that borrowers remain in compliance with the terms and conditions of their loan.
   f. Maintain compliance with all state and federal reporting requirements and prepare and submit quarterly reports to the County of all loan-servicing activities.

B. Loan Processing

1. **Standard Loan Application Requirements.** All loan applicants must supply the following documentation in order for the loan review process to begin:

   Completed and signed Loan Application.
   - Business Plan – To include a brief history of the company and a detailed project description for use of RLF monies. The Business Plan should be no more than 10 single-spaced typed pages.
   - DBA or Assumed Name Certificate from the County of El Paso.
   - Job Hiring Statement.
   - Résumé of Principal Owner’s – Résumés must provide a brief description of the education, technical, and business background for all stockholders, partners, or owner(s) of 20% or more of the company.
   - Source and Use of Funds - Complete the Source and Use of Funds for the proposed project. This includes a complete list of Machinery and Equipment for purchase with RLF monies.
   - Summary of Collateral - Complete the Summary of Collateral form.
Identification - A copy of owner's social security card and current picture identification is required.

Banking Information for automatic draft.

Letter of Compliance. Submit a letter on owner stationery stating that the business will comply with all applicable rules, regulations, requirements, and assurances as stated in the original Revolving Loan Package and any changes or amendments approved by the El Paso County Commissioners Court.

The following financial information must be provided by businesses that have been in existence for a period of 0-3 years (Start Up):

- Personal Financial History - A personal income statement for all principals owning a 20% or more share of the company. This statement should cover the prior three years and the most recent 90-day period.
- Individual Tax Returns - All owners must provide the most recent Individual Tax Returns.
- Current Credit Report - All owners must provide a current credit report (within 30 days) including FICO Score.

The following financial information must be provided by all businesses that have been in existence for a period of over 3 years (Existing):

- Balance Sheets. This includes a comparative balance sheet with financial data for the past two years. Also, a pro forma balance sheet, which includes loans identified in the application.
- Profit and Loss Statements. Provide a comparative profit and loss statement that includes financial data for the past two years and a two year projected statement.
- Individual Tax Returns. All owners must provide the most recent Individual Tax Returns.
- Company Tax Returns. Owner must provide most recent Company Tax returns.
- Current Credit Report. All owners must provide a current credit report (within 30 days) including FICO Score.

1. Credit Reports. A credit report will be required on any of the principals that are providing a personal guarantee for the repayment of the RLF loan.

2. Environmental Reviews. For those projects involving construction or major rehabilitation of a building, environmental clearance must be achieved prior to the disbursement of funds from the RLF.

3. Collateral Requirements. In cases where collateral and personal guarantees are necessary, collateral decisions will be made using the stipulations agreed upon in the loan agreement.

4. Procedures for Loan Approvals. After the loan application package is complete the County’s Program Administrator will present the project information to the RLF Board. After substantial review, the RLF Board will make a recommendation to approve or deny the loan application. The Board’s recommendations will be presented to the El Paso County Commissioners Court for final decision. The
entire process will be documented by the County’s Program Administrator. Immediately following the Court’s final decision on a loan application, each applicant will be notified by telephone and by mail detailing the next step in the loan process or reasons for denial.

C. Loan Disbursement Procedures

1. Depending on the type of loan requested, the borrower must provide proof that the loan proceeds will be used for the intended purposes prior to disbursement. For example, borrowers receiving funds for the purchase of machinery and equipment must show proof, e.g., an invoice, that the equipment has been ordered.

D. Loan Servicing Procedures

1. Loan Payment and Collection Procedures. The borrower is responsible for making timely loan payments. Each borrower will be given a schedule of payments for the entirety of the repayment period of the loan by the County’s Program Administrator. The program will allow the borrower to use an automatic electronic payment plan. The automatic payment plan would be accomplished by the borrower’s bank making an electronic direct payment to the appropriate County of El Paso RLF account.

2. Loan Monitoring Procedures. The County’s Servicing Contractor will be responsible for the continuous monitoring of each RLF loan during the entire repayment period. Communication will be the key to the monitoring process; each loan will have its own portfolio of timely information. Every transaction and communication will be maintained by hard copy within each loan portfolio. The Servicing Contractor is responsible for maintaining a record of servicing visits to loan recipients to ensure that borrowers remain in compliance with the terms and conditions of their loan. Borrower site visits will take place on an annual basis to insure compliance with the RLF’s employment requirements and continuous operation and to verify that collateralized machinery and equipment remains on the premises in good working condition. More frequent site visits may take place if an unsatisfactory repayment pattern or any other early warning sign of company operation difficulties exist.

3. Late Payment Follow-Up Procedures. RLF loan payments will not be considered late until they have passed the fourteenth business day following the due date. Late payments may carry a late payment penalty of up to ten percent (10%) of the unpaid portion of the scheduled payment. Late payment that exceeds 30 days requires a site visit by the County’s Servicing Contractor in order to discuss repayment. Late payments that exceed 90 days will be considered as an event of default of the loan note. The entire remaining balance of the loan will immediately become due with notification to the Borrower. In the event of a default, and after the Servicing Contractor has exhausted all collection efforts, the loan file will be transferred to the County’s Program Administrator for complete and thorough subrogation proceedings to include notification to guarantors of the event of default, the seizure of any collateralized machinery and equipment for immediate resale or other appropriate asset liquidation procedures. The Servicing Contractor will notify the County’s Program Administrator of all late and/or default loans and their status on a monthly basis.

4. Procedures for Late Payments Over 90 Days. As mentioned above, payments that are not made within 90 days will result in the RLF loan being declared in default, and the entire balance on the loan becoming immediately due. The Servicing Contractor will provide monthly reports to the Program Administrator and the RLF Board on all loans that are delinquent and/or in default and document the collection efforts taken to remedy the delinquency.

5. Default Procedures. Any default proceedings that require the seizure of all collateralized equipment for immediate resale will be referred to the County Attorney’s office for litigation. Any balance due will be brought against the company for immediate collection by any and every means permissible by state and federal law.
6. **Loan Modifications.** In the event, that a Borrower fails to timely pay all or a portion of one or more regular loan payments, the Borrower may request a modification of the loan terms. Any such requests shall be considered on a case-by-case basis, considering among other factors, history of payments, promptness of payments, amounts owed, amounts past due, and terms requested. Upon request by a Borrower, the Program Administrator may modify the loan terms to allow the Borrower to allow for a “interest-only” payments to be made for a limited period of time, a temporary reduction in interest rates, an extension of time for loan repayment, or temporary suspension of all or part of some other portion of the principal, interest or penalties. Borrowers shall be required to submit, but not limited to the following, any personal financial documents requested, balance sheets, profit/loss statements, and bank statements. Borrowers shall also submit information detailing the reasons they are unable to comply with the original loan terms, what modifications are being requested, and what steps they implement to return to the original terms and a timeline for doing so. Any loan term modifications are subject to final approval by the El Paso County Commissioners Court. In no event shall the total amount paid by the Borrower equal less than the original loan amount.

**E. Administrative Procedures**

1. **Procedures for Loan Files.** The County’s designated Program Administrator is responsible for maintaining all original RLF loan program documentation on its premises at all times in a secure location. All original executed loan agreements will be on file at the County Attorney’s office for documentation and safekeeping purposes. Each RLF Loan project will have its own file folder complete with a paperwork retaining system. These files will have a copy of the following:

   - Pre-loan package
   - Copies of executed contract/notes
   - Copies of security agreements
   - Amortization schedule
   - UCC filing information
   - Job creation reports
   - Annual site visit reports
   - All original notes and any other information and/or documentation that is pertinent to the file of each project.

2. **Procedures for Complying with Texas Department of Housing and Community Affairs Reporting Requirements.** The County’s Program Administrator will be responsible for accepting and posting all loan applications. The County’s Servicing Contractor will be responsible for tracking all loan disbursements and repayments. The Servicing Contractor will be responsible for tracking the RLF loan funds on a monthly basis, verifying that all RLF payments are posted to the appropriate account, then reporting the Fund’s status on a quarterly basis to the County’s Program Administrator and the RLF Board. It is the responsibility of the County’s Program Administrator and Auditor Department to monitor the level of funds available for lending and to allocate the appropriate dollars to the RLF administration account. All late payment fees, repayment of loan proceeds and any other revenue generated by the RLF program will be added to the capital fund for loan disbursement. The Revolving Loan Fund shall be dedicated to making loans in the non-entitlement areas of the County (these areas are outside the City limits of El Paso) as per TDHCA guidelines. All Community Development Block Grant procedures will be followed when disbursing a loan through the County’s RLF program. The RLF program will concentrate its efforts on making sound loans to qualified businesses and will work hard to make certain the RLF dollars do no remain idle. As required under
TDHCA guidelines, the RLF program will strive to exceed more than a 67 percent utilization of funding rate, meaning that it must keep less than 33 percent idle. All idle RLF dollars will continue to gain interest in an interest bearing County of El Paso account. If at any time, idle funds exceed the 33 percentile requirement, they must be remitted immediately back to TDHCA.

3. Grantee Control Procedures. The County’s Program Administrator will make certain that the County is in the strictest compliance with all grant requirements. Loan monitoring will continue to be accomplished by the County’s Program Administrator. The County Auditor’s grant supervisor will have a significant role in maintaining the program’s grant compliance, financial records, disbursements, and information maintenance. Legal matters will be handled by the County Attorney’s Office to ensure efficient management of all legal matters.
COUNTY OF EL PASO

Application for Boards, Commissions, and Committees

Name: ___________________________  Voting Precinct: ___________________________

List the Board(s), Commission(s), and/or Committee(s) you are particularly interested in:

________________________________________________________________________

Home Address: ___________________________  STREET  CITY  STATE  ZIP

Phone number: ______________  Cell Phone number: __________________________

E-mail address: ___________________________

PURSUANT TO TEXAS GOVERNMENT CODE, SEC. 522.021. I ELECT THAT MY HOME ADDRESS & TELEPHONE NUMBER (CHECK ONE): ☐ MAY BE RELEASED / ☐ SHALL NOT BE RELEASED TO THE PUBLIC UPON REQUEST UNDER THE TEXAS OPEN RECORDS ACT. FAILURE TO MAKE A DESIGNATION RESULTS IN INFORMATION BEING AVAILABLE FOR PUBLIC ACCESS.

Length of Residency in El Paso County: ___________________________ (Years/Months)

Place of Employment: ______________________________________________________

Business Address: ___________________________  STREET  CITY  STATE  ZIP

Telephone: ( ) ___________________________  Fax Number: ( ) ___________________________

Professional Background:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Educational Background:

________________________________________________________________________

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________________________________________________________________________
Three (3) personal or professional references not related to you:

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Previous volunteer organizations and/or community service:


Do you have property in El Paso County under your name?  ____ (Yes)  ____ (No)

Are your property taxes currently paid?  ____ (Yes)  ____ (No) If not, please give a brief explanation:


Are you aware of any matter that could be considered a conflict that should be disclosed before you are considered for appointment?

If so, please describe the matter.


Signature: ____________________________ Date: ____________________

Application should be submitted to:

El Paso County Human Resource Department
ATTN: County Boards
800 E. Overland, Ste. 223
El Paso, Texas 79901
Ph. (915) 546-2218  Fax (915) 546-8126
Dear Applicant:

The County of El Paso conducts background investigations on applicants in various departments. This effort is part of the selection process and requires your authorization. By signing this document you acknowledge that you are voluntarily granting permission to the County of El Paso to conduct a background check and you authorize relevant parties to release confidential information. The information will remain confidential and will not be disclosed except ________________.

I, ____________________________, further hereby authorize the County of El Paso Human Resources Department to obtain all confidential records and information pertaining to a complete background investigation. This may include items such as (but not limited to): personal references, work references, Police Records, Sheriff Records, Driving Record, and any open record request.

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List the cities and states in which you have lived in the past 10 years.

1. ____________________________ 4. ____________________________
2. ____________________________ 5. ____________________________
3. ____________________________ 6. ____________________________

________________________________________
Signature of Applicant