



FORT COLLINS
LOCAL
DEVELOPMENT
COMPANY

How to Obtain a Loan from The Fort Collins Local Development Company (LDC)

You may contact any LDC Board Member (listed on our website www.fcldc.com) to discuss your proposed project and receive insight regarding the following loan parameters:

- **Amount** – The LDC typically provides loans ranging from \$5,000 to \$30,000.
- **Term** – The LDC prefers short-term loans, typically with terms of two, three or five years. All loans are generally fully amortized over the term.
- **Interest Rate** – The LDC has established an interest rate of approximately 6.0%; however, rates may vary due to market fluctuation. Lower rates may be available for shorter term loans.
- **Use of Funds** – The LDC primarily funds projects in the downtown Fort Collins area. Loans for the improvement of building façades have been the most common; however, loans for other purposes will also be considered, especially if the property or business is in the downtown area. There is some flexibility in regard to the use of funds; however, the preferred use for LDC funds is for the exterior portion of a remodel or construction project.
- **Loan Security** – The LDC is flexible when considering collateral for the loans it funds; however, it does require collateral sufficient to secure all loans. The Board will consider a second mortgage on real estate, either on the property being improved or an alternative property, such as a personal residence. Collateral from previous loans have also included equipment, tools, cars, etc.
- **Closing Fees** – There are no points or fees charged for an LDC loan; however, there are some costs to the borrower to cover legal fees for document preparation and any required title work. Depending on the degree of complexity of the loan, legal fees should range from \$150 to \$500. A more precise estimate of the legal fees can be provided once the loan is reviewed by the Board.
- **Signs** – The LDC requires the right to post an acknowledgement sign on the project site (i.e. “Funds Provided by the Fort Collins Local Development Company”).

To begin the loan application process, please follow these steps:

- **Complete the loan application form.** To facilitate a timely response to your proposal, it is recommended that your application be reviewed by an LDC Board Member prior to submission. The Board of Directors reviews loan applications at its monthly meetings.
- **Submit three (3) copies of your loan application and supporting documents to any Board Member.** NOTE: Each member of the LDC Board of Directors is committed to maintaining confidentiality regarding each application submitted for review. Upon conclusion of review of any loan application, all copies of the application are collected and placed in the LDC's confidential file if the loan is approved, or returned to the applicant if the loan is declined.
- **Approval or denial of the application.** This will occur at the LDC Board meeting immediately following submission of the application, as long as the application is materially complete. If additional information is needed to evaluate or process a loan application, or if the Board requires performance contingencies to approve an application, the applicant will be contacted and requested to provide any such information, after which time the Board will further review the application.
- **Loan Approval Letter.** Once the loan is approved, an approval letter will be sent to the applicant. The letter will contain the provisions and conditions upon which the loan was approved; for example:
 - Amount approved, interest rate, term and amortization.
 - Required collateral and documentation; for example:
 - Car Title
 - First or Second Deed of Trust
 - Title Commitment
 - Financing Statement for Equipment Lien
 - Uniformed Commercial Code Search
 - Fees Involved – Depending on the complexity of the loan, the following fees may be applicable:
 - Legal Fees, including:
 - Document preparation
 - Recording Fees
 - UCC filing fees with the Secretary of State
 - Title Fees
 - Bank Service Fee (loan processing fee)
- **The timing and manner in which an approved loan is funded** will be determined by the LDC Board as a part of the approval process. In some circumstances, loans are fully funded at closing, while other loans are disbursed on a draw basis once work is completed and lien waivers are provided. Factors that the Board considers in evaluating the method of funding are both the type of project and collateral being provided.