

BATAVIA DEVELOPMENT CORPORATION (BDC) LENDING POLICIES

Applications:

Grants

The BDC will consider grant allocations for those businesses intending to create or retain low to moderate income jobs within the City of Batavia. Businesses must have 5 or fewer employees, including the owner, with at least 51% of the employees in the low to moderate income level.

Businesses may receive more than one grant allocation for each business. However, a subsequent grant application may only be considered three (3) years following final payment, paid-in-full, of any previous distribution.

All other program requirements and compliance regulations must be met per the grant funding source.

Loans

The BDC may allow businesses to request more than one BDC loan subsequent to a previous distribution.

Recipients that had a history of delinquent payments, may request another loan so long as the previous loan/grant account was not submitted to litigation for debt collection and/or the account was not settled for a lesser amount due.

For all applications, the BDC Board may use its discretion to recognize extenuating circumstances and may also add additional conditions per approval such as:

- Enhanced collateral to secure the debt
- Reduce the loan or grant award
- Adjust the interest rate based on credit score or other pertinent factors

While each loan and grant program has limitations, the BDC reserves the right to either bundle the programs or to make an offer that exceeds the current maximum amounts.

Past Due Accounts:

Monthly follow-up is expected with all delinquent accounts through phone calls, personal visits or written correspondence.

90 Days

Should an account become past due more than 90 days, the BDC may place the account with the collection agency of record.

180 Days

Should an account become past due more than six months/180 days, the BDC shall place the delinquent account with the collection agency of record.

At one (1) year of bad debt:

If the collection agency is unsuccessful in debt collection, the account will be turned over to a legal counsel of record to seek personal judgment and wage garnishment in order to recapture the debt owed. Also at that time, the account will no longer be reported on the "active loan" reports for the BDC. Instead, the reporting will be provided by the legal counsel of record.

Settlement Offers:

The BDC may use its discretion in negotiating settlement offers. However, the intent is to recapture more than 50% of the amount owed.

MOTION: Susie Boyce

VOTE: carried

2nd: Brenda Richardson

DATE: December 20, 2012