



Mid-Columbia Economic Development District

MCEDD Loan Administration Board Meeting

Tuesday, March 22, 2022

8:00am

Remote only

<https://us06web.zoom.us/j/83069747950>

Or call 669-900-6833, Meeting ID: 830 6974 7950

AGENDA

<u>Topic</u>	<u>Estimated Time</u>	<u>Item</u>
Call to Order, Introductions		
Loan Administration Board Minutes <i>February 1, 2022</i>	5 minutes	Approval
Loan Request <i>Data Schuss, Inc.</i>	10 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Actions	5 minutes	Approval
Funded Loan Updates	5 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
IRP Payment Options	10 minutes	Discussion
Adjourn		

The meeting location is accessible to persons with disabilities. If you have a disability that requires any special materials, services, or assistance, please contact us at (541) 296-2266; TTY 711 at least 48 hours before the meeting. MCEDD is an equal opportunity employer, lender, and provider.

Executive Session Protocol MCEDD Loan Administration Board

After discussion agenda items are presented in open session by MCEDD staff, the LAB Chair will state the following: "Pursuant to ORS 192.660(f), Exempt Documents, I call the Executive session of the MCEDD Loan Administration Board to order".

LAB Chair asks all non-staff and non-LAB members to leave the meeting, except that representatives of the news media are allowed to attend but cannot disclose any information.. Staff will explain to visitors where they can wait and that they will be invited into Executive Session when their agenda item will be discussed.

For each discussion item on the agenda for Executive Session, the LAB Chair will follow the following procedural steps:

1. Invite the loan applicant (or their representative) into the Executive Session for the presentation of their loan request. LAB Chair requests a brief presentation from MCEDD staff on a summary of the loan proposal or other discussion item.
2. After presentation of information by staff, the LAB Chair asks if there are any questions for the loan applicant or MCEDD staff.
3. Following questions and discussion by the LAB, the loan applicant (and/or their representative) is asked to leave Executive Session with instruction that they will be invited into the Open session when Executive Session is adjourned.
4. LAB Chair asks LAB members if there is any discussion related to loan request that needs to take place before inviting the next loan applicant or other persons into Executive Session for the next discussion item.
5. Additional discussion between the LAB members takes place then Steps 1-5 are repeated for each following discussion item for Executive Session.

At the end of discussion, the LAB chair will close the Executive Session. The LAB moves back to open session. At this point, the LAB Chair asks for a motion on the decision items in open session. Following a proper motion (motion and a second), the LAB chair requests discussion on the motion. Following any discussion, the LAB chair requests a vote ("all those in favor, signify by saying aye" "all opposed signify by saying nay" "any abstentions?"). Staff may ask for a roll-call vote, if the responses are unclear.

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT LOAN ADMINISTRATION BOARD MEETING MINUTES

Tuesday, Feb 1, 2022

Virtual Only

ATTENDANCE

BOARD: Scott Clements, Bob Hamlin, Dave Sauter, Steve Kramer, Joe Dabulskis

STAFF: Jessica Metta (Executive Director), Ami Beaver (Loan Fund Manager), Jill Brandt (Administrative Assistant)

CALL TO ORDER INTRODUCTIONS

Scott Clements called the meeting to order at 8:01 a.m. A quorum was present.

MINUTES

Dave Sauter motioned to approve the minutes from December 21, 2021, meeting. Joe Dabulskis seconded the motion. All voted in favor, and the motion passed unanimously.

LOAN MODIFICATION REQUEST: FULL CIRCLE, LLC

Ami introduced the loan modification request from Full Circle.

EXECUTIVE SESSION

Per ORS 192.660 (f) Exempt Documents, the MCEDD Loan Administration Board moved into Executive Session at 8:02 a.m.

Regular session resumed at 8:14 am.

LOAN ACTION

Terms:

- Loan amount: \$91,532.18
- Interest Rate: 5.5%
- Loan Term: 45 months (44 monthly principal and interest payments and the balance due the 45th month)
- Loan Payment: (\$550 December-April/ \$750 May-November)
- Modification Fee: \$150

Bob Hamlin motioned to approve the loan modification request for Full Circle as recommended by staff. Steve Kramer seconded the motion. All voted in favor, and the motion carried.

EXECUTIVE SESSION

Per ORS 192.660 (f) Exempt Documents, the MCEDD Loan Administration Board moved into Executive Session at 8:16 am.

FUNDED LOANS UPDATES

Ami gave an update on The Renewal Workshop in Cascade Locks.
Regular session resumed at 8:20 am. No action was taken.

STAFF UPDATES

Jessica requested feedback for proposing a write-off of very small dollar amounts that are left over after loans are paid off and closed. She pointed out that when this situation arises, it takes staff time to get that final \$7 or \$0.25. The Loan Administration Board does not have any policy in place to write off these small amounts that aren't worth the time it takes to process. There was general agreement favoring a proposal to allow write-offs. Jessica agreed to bring something back to a future meeting.

Scott asked about status of the microlending program. Jessica informed the Board that MCEDD just received the final approval from the EDA last week on the new RLF plan that includes the microlending program. She stated that "We are open for business on microlending!" Scott then asked how the word will go out. Jessica responded that she and Ami will be strategizing. Steve suggested putting together a package for The Dalles Area Chamber and have them help push the word out - he mentioned that Lisa Farquharson has asked to help! Jessica made note and thanked Steve for the suggestion.

ADJOURN

Scott Clements adjourned the meeting at 8:26 a.m.

Respectfully submitted by Jill Brandt, Administrative Assistant

Memorandum

To: MCEDD Loan Administration Board
From: Jessica Metta, Executive Director
Date: March 10, 2022
Re: IRP Payment Options

MCEDD has received several loans over the years through USDA Rural Development's Intermediary Relending Program (IRP) that provided additional revolving loan funds to fuel small businesses in our region. The IRP program provides a 40-year term at an interest rate of 1%. In total, MCEDD has 5 IRPs totaling \$2,860,000 and still owes \$1,508,956. We make several loan payments over the course of the year totaling \$121,379. These payments are typically covered through interest payments received on loans MCEDD provides to small businesses.

Funding loans out of the IRP program is a priority for MCEDD staff when loans are made to ensure we are generating enough interest to cover our expenses. New lending requests over the last few years have been very low, and most loans were funded out of the EDA CARES fund as it has a deadline to fully revolve the funds or lose them. Additionally, MCEDD has experienced a flood of early payoffs of existing clients, many of which were funded through an IRP. We attribute conditions to the very low-interest options available through the SBA's EIDL program and large amounts of equity available to homeowners as a result of the housing market.

The USDA has informed staff that deferrals are not an option for the IRP program based on legislative language creating the program. MCEDD is unable to cover our loan payments in the next year and is unable to cover our staffing costs fully through loan interest. Without some large loans being made very quickly, options include:

- 1.) Ask USDA to re-amortize the loan(s). We are not sure what they are able to offer yet. This option is available once we miss a payment. I am inquiring if there is a way to restructure without becoming delinquent first.
- 2.) Return some or all of the principal. This permanently reduces the amount of funds MCEDD will have available to lend.

Request

This item is presented to inform the LAB of the status of MCEDD's loan program and receive feedback on options for the IRP payments.