

**Downtown Revitalization
Revolving Fund
Tonganoxie, Kansas**

LOAN GUIDELINES

The primary purpose of this Revolving Loan Fund is to provide resources for feasible projects designed to improve the aesthetic appearance of the exteriors of buildings in the central business district. The fund program is intended to promote efficient, responsible, and broad distribution of the funds, and prompt repayment of the loan proceeds. Loan proceeds shall only be used for the improvement of building facades or other exterior features readily visible to the general public from Fourth Street in the central business district. This shall include structural improvements that are directly related to the improvement of the facade or exterior features.

No loan application will be approved until it has been determined that the applicant has a satisfactory credit history and a demonstrated ability to repay the loan according to the requested terms.

In order to maximize the number of qualified applicants using the fund, the maximum loan amount is \$30,000. An application for a loan exceeding this limitation may be accepted for review if the loan committee determines that the requested loan is consistent with the goals of this fund program, would not restrict access to the fund by other qualified applicants, or would not impair the intended purpose and administration of the fund.

The following grid provides a general guide for determining available terms under the program:

TERM	FIXED RATE	LOAN FEE
2 yrs. or less	0%	- 0 -
3, 4 or 5 yrs.	2%	.5%
6 or 7 yrs	3%	1%
8, 9 or 10 yrs.	4%	1%

The terms of all loans will require monthly payments to amortize the full balance of the loan in no more than 120 monthly payments. The first payment shall be due no more than 60 days after the promissory note is executed.

A late payment penalty of \$25.00 will be imposed for any payment that is not received within 10 days of the payment's due date. Any remaining balance that is unpaid at maturity, including principal, interest and late fees will accrue interest at a rate of 12% until paid in full. Other default terms and available remedies will be established by the loan documents.

The following examples provide approximate payments and interest costs based on a \$10,000 loan:

TERM	RATE	MONTHLY PMT	TOTAL INT. PAID*
1 year	0.0%	\$833	\$0
2 year	0.0%	\$416	\$0
3 year	2.0%	\$286	\$311
4 year	2.0%	\$216	\$414
5 year	2.0%	\$175	\$517
6 year	3.0%	\$151	\$940
7 year	3.0%	\$132	\$1,100
8 year	4.0%	\$121	\$1,703
9 year	4.0%	\$110	\$1,926
10 year	4.0%	\$101	\$2,151

* Approximation of total interest assuming all payments are made as scheduled.