



**ECONOMIC DEVELOPMENT
REVOLVING LOAN FUND (RLF)
Policy and Procedures**

City of Rome, Georgia
Revised June 2014

UNDERWRITING POLICY
ECONOMIC DEVELOPMENT REVOLVING LOAN FUND
City of Rome, Georgia

GOALS

The goal of the local Revolving Loan Fund (RLF) program is to expand economic opportunities for persons of low income in the City of Rome by providing flexible and expedient funding at the local level.

OBJECTIVE

To provide loan funds to local small businesses from public resources, as well as create public-private partnerships with local commercial banks and other private sector lenders and investors. To be considered, potential projects must meet one of two national objectives: 1) Benefiting low income persons; 2) Preventing or eliminating slums or blight.

SCOPE

This program is designed to assist small service, commercial, and industrial businesses in the City of Rome by providing “gap financing.” Provision of assistance to private, for-profit entities must be contingent upon firm commitments of financial participation from other sources such as private financial institutions, or the private entities themselves. This financial assistance must meet the overall program objectives and must result in the creation or retention of permanent jobs of which **51% must be for low income persons.**

ELIGIBLE ACTIVITIES

The Housing and Community Development Act of 1974, Section 105(a)(17), describes eligible activities as:

- (a) Activities assisted under this title may include only –
- (17) provision of assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods) that—
- (A) creates or retains jobs for low income persons;
 - (B) prevents or eliminates slums and blight;
 - (C) meets urgent needs;
 - (D) creates or retains businesses owned by community residents;
 - (E) assists businesses that provide goods or services needed by, and affordable to, low income residents; or
 - (F) provides technical assistance to promote any of the activities under subparagraphs (A) through (E);

INELIGIBLE BORROWERS

- Passive income companies
- Lending and investment institutions
- Unregulated media such as newspapers and magazines
- Speculative ventures
- Charitable organizations

- Employees of the local government (See Conflict of Interest Section)

INELIGIBLE ACTIVITIES (include but are not limited too)

- Creation of a job that would cost more than \$50,000 in RLF funds per job
- Reimbursement of project costs prior to submission of RLF application
- Refinancing of permanent debt (a business' use of interim financing is allowed)
- Payment of delinquent taxes, debt
- Product development costs
- General government expenses
- Political activities

DEFINITIONS

- A) Fixed Asset – Permanent business properties such as land, buildings, machinery, and equipment.
- B) Gap Financing – The portion of funds supplied by the City through the Revolving Loan Fund that allows a business to remain in operation, expand operations, or “start up” that would not take place without this financial assistance.
- C) Job – Permanent, full-time employment for a period not less than 365 days. Part-time jobs must be converted to full-time equivalents (e.g. a job that will require only working half time would count as only one-half a job).
- D) Job Retained – A job that would be lost if the financial assistance from the City was not provided. The business applying for the funds must prove to the satisfaction of the Loan Review Committee of the RLF that these funds are necessary.
- E) New Job Created – A job that was not in existence and represents a new budgeted position that will be filled within six (6) months. The job must be tangible and the applicant must commit that this job will be filled after the loan from the City.
- F) Loan Review Committee (LRC) – Public and private citizens, who are professionals in the area of finance, appointed by the Rome City Commission to review all applications to the Revolving Loan Fund. The Committee shall be composed of seven (7) members including: Finance Director, Community Development Director, Downtown Development Director, Economic Restructuring Committee Chair and three volunteers with expertise in bank lending, accounting, law or real estate. The Committee should include female and/or minority representation and in general represent the demographic make-up of the City. Volunteer members should serve not longer than 4 years.
- G) Low Income – Income levels as published by HUD for the State CDBG and HOME/CHIP Programs. The levels are usually calculated as 80% of a County’s median income adjusted for family size. The most recent data for such determinations may be obtained from DCA at: www.dca.state.ga.us/grants/cdbg_forms.html. Applicants should understand that jobs paying minimum wage do not necessarily qualify as low income jobs. **Individual family income levels at the time of application for employment determine qualification.**
- H) Market Analysis – Objective process whereby the need, market potential, and expected return on investment are determined for a particular product and/or service.
- I) Pro Forma – Estimation of anticipated expenditures, revenues, and cash flow for a given period of time.

- J) Start Up – A “start up” venture is the creation of a new business that was not previously in existence.
- K) Working Capital – Funds available and necessary for normal business operations.
- L) Slums or Blight on a “spot basis” - Acquisition, clearance, relocation, historic preservation and building rehabilitation activities which eliminate specific conditions of blight or physical decay on a spot basis that may not be located in a slum or blighted area. The blight or physical decay must be documented by the City of Rome to meet local or state definitions of blight and physical decay. Under this standard, the activity is limited to the extent necessary to eliminate specific conditions detrimental to the public health and safety.
- M) Slums or Blight on an “area basis” -
 - a) The area, delineated by the City of Rome, meets a definition of blighted, deteriorated or slum area under state or local law;
 - b) Throughout the area there is a substantial number of deteriorating buildings or the public improvements are in a general state of deterioration;
 - c) The assisted activities address one or more of the conditions which contributed to the deterioration of the area; and
 - d) The City keeps records sufficient to document its finding that a project meets the National Objective of elimination or prevention of slums and blight.

ELIGIBILITY

The Economic Development Revolving Loan Fund for the City of Rome is limited to businesses located within the corporate limits of the City. Highest consideration will be given to those businesses which demonstrate that they will create and/or retain the highest number of jobs for low income persons for the least amount of public expenditure.

In order to qualify for this program, a business must generally have a net worth of less than six (6) million dollars and a net profit after taxes of less than two (2) million dollars annually. No loans will be considered if the proposed jobs retained or created are less than the ratio of one job per \$50,000 of loan funds. At least 51% of the jobs created or retained must be for low income persons.

APPLICANT REQUIREMENTS

1. Applications will be provided by the City of Rome to all small businesses interested in this program.
2. A “profit and loss” statement is required for the past three (3) years. A Personal financial statement is also required.
3. A cash flow pro forma will be required to indicate future needs of the business (Should be for at least 3 years).
4. A market analysis/business plan should be made for each small business making an application to the RLF. The market analysis should include:
 - a) Business or Product definition such as the mix of goods, merchandise, and/or services to be produced or sold.
 - b) Market description including primary and secondary trade areas, potential customer categories, major competitors, and marketing strategies.

- c) A “Needs Assessment” based on statistical data and evaluation of such factors as market trends, unmet customer demands, customer surveys, etc., development of data supporting this need and an evaluation of success potential.
 - d) Projection of return on investment based on the information gathered and analyzed for the particular product and/or service.
5. Applicant must fully address the purpose of the loan and the time schedule for implementation if funded.
 6. Applicant must inject 5% of their own equity in the project (cash, equipment, land, etc.)
 7. The goal of this program is the creation/retention of jobs for low income persons. Therefore, each applicant must commit to the number of jobs that will be retained/created through this financial assistance. (Sample commitment letter attached.)
 8. Description and documentation of ownership of collateral and its certified market value to be used for the loan. In some cases the City may require an appraisal to be conducted.
 9. Submission of a current credit report, or authorization for the Community Development Department one to acquire one.
 10. List of credit references and how they can be contacted.
 11. Funds awarded under this program must begin to be utilized within sixty (60) days of award.
 12. The Underwriting Policy will be provided by the City to all businesses requesting a copy. A list of all persons receiving a copy will be maintained in the City RLF file in order of date of receipt. This process results in a “first come, first served” method of service. When a minimum amount of cash is on hand, the prospective applicant at the top of the list of Underwriting Policy recipients will be notified by the RLF committee by Certified Mail, Return Receipt Requested, that they have two (2) weeks from the date of receipt of the Certified Mail in which to submit an application to the RLF administrator. The applicant will have thirty (30) calendar days from the date of any written request to the applicant by the City to submit additional information needed to complete the application process. Applicants failing to respond to the notice or request for additional information may, at the discretion of the RLF committee, be removed or placed at the bottom of the list.

Depending on the type of activity to be undertaken with the loan funds, various federal, state and local laws may apply. Applicants will be made aware of these during the application process.

The City of Rome and the Loan Review Committee reserve the right to request and require further information that they deem necessary in order to make a decision as to whether or not to approve an application under this program, including requests for personal guarantees.

It should be noted that if construction is a part of the overall project, special conditions may apply. Site improvements may also necessitate special considerations.

Terms and Conditions

All applicants for the Economic Development Revolving Loan Fund from the City of Rome are required to obtain at least fifty percent (50%) of the funds for the project from a private lending institution (A “lending institution” is any person, firm or corporation that will lend the necessary funds for private investment required for this program). An applicant can use their own funds to meet this requirement.

As part of the application process, each applicant is required to provide a letter of commitment from the lending institution acknowledging their agreement to finance at least 50% of the asset or working capital (sample attached). This letter must include the following terms: interest rate, term of loan, collateral, and any other requirements stated as part of the loan. The letter must be signed by the lending institution or a person authorized to make such a commitment for that lending institution. All applicants

must prove to the satisfaction of the Loan Review Committee that they have the ability to cover all debt services and initial equity investments.

Fixed Asset loans will be made at an interest rate of one-half (1/2) of the prime rate (as published in the most current Wall Street Journal) less one, and not lower than 3% nor higher than 10%. **The life of the loan is not to exceed the life of the asset.** Applicants for fixed asset loans are also eligible for one year deferral on the principal, followed by a five to ten year payback of the loan. The length of the loan will be determined by the Loan Review Committee. NOTE: A fixed asset loan that is secured by real property may have the following terms if approved by all levels of review: an interest rate of 2.5%; a term of up to 15 years.

Working Capital loans will be made at an interest rate of one-half (1/2) of the prime rate (as published in the Wall Street Journal) less one, and not lower than 3% nor higher than 10%. Eligible applicants for a working capital loan may also be eligible for a one year deferral on the principal followed by a five year payback on the principal and interest. **A five (5) year payback is the maximum for a working capital loan.**

All loans will be screened and approved after review by each of the following, in order of approval:

1. Staff of the Community Development and/or Downtown Development Department.
2. Loan Review Committee of the Revolving Loan Fund.
3. Community Development Services Committee (3 members of the Rome City Commission who oversee Community and Downtown development).
4. City Commission of Rome, which has the final authorization to approve a project for funding.

The City of Rome Community Development Department and/or Downtown Development Department and the Loan Review Committee for the Economic Development Revolving Loan Fund reserve the right to request and require further information. Upon receipt of a complete application, every effort will be made to respond to the applicant within thirty (30) days of the date of receipt of the application. If the application is denied, the City will respond in writing, with the reason(s) for denial of the application.

The City of Rome will not discriminate due to race, creed, color, age, sex, religion or national origin in approving loan applications under this program.

RECAPTURED FUNDS

All funds “recaptured” by the City of Rome from this program shall be returned to the RLF account and used only for future economic development projects. The accounting and administrative system used to account for the Economic Development Revolving Loan Fund shall at a minimum conform to the guidelines contained in the DCA publication Guidelines for Administration of Local Revolving Loan Funds and any Revolving Loan Fund regulations promulgated by the Department of Community Affairs. An accounting of the Economic Development Revolving Loan fund shall also be included in the City’s annual audit.

COMPLIANCE REQUIREMENTS

The City of Rome is required to ensure that the RLF’s proposed program, activities, and goals are in compliance with all applicable Federal and State laws, regulations and executive orders.

The major applicable laws, regulations and executive orders include but are not limited to the following:

General:

1. The Housing and Community Development Act, as amended and as implemented by the most current HUD regulations (24 CFR Part 570, Subpart I)
2. State of Georgia Community Development Block Grant Program Regulations
3. Title 50, Chapter 18, Article 4, Official Georgia Code, Georgia Open Records Act
4. HOME Investment Partnership Act of 1990, as amended

Financial Management:

5. 24 CFR, Part 85 (“Common Rule”)
6. Federal OMB Circular A-133 (Audit Requirements)
7. Federal OMB Circular A-87 (Cost Principles)

Civil Rights:

8. Title VI – Civil Rights Act of 1964
9. Section 109 – Title I – Housing and Community Act of 1974
10. Title VIII of the Civil Rights Act, 1968
11. Section 504 of the Rehabilitation Act of 1973
12. Executive Order 11246 – Equal Employment Opportunity, as amended by Executive Order 11375, Parts II and III
13. Executive Order 11063 – Equal Employment Opportunity, as amended by Executive Order 12259
14. Section 3 of the Housing and Development Act of 1968, as amended Section 118 of Title I, Community Development and Housing Act, 1974
15. Georgia Department of Community Affairs Civil Rights Compliance Certification
16. Age Discrimination Act of 1975
17. Executive Order 12432: National Priority to Develop Minority and Women Owned Businesses.

Labor Standards:

18. The Contact Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations
19. The Davis-Bacon Act (40 U.S.C. 276(a) to (a-7), as supplemented by Department of Labor regulations
20. The Copeland “Anti-Kickback” Act (18 U.S.C. 874) as supplemented by Department of Labor regulations

Acquisition/Relocation:

21. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. (46 U.S.C. 4601) and regulations at 24 CFR, Part 42
22. The Georgia Relocation Assistance and Land Acquisition Policy Act of 1973
23. The Georgia Urban Redevelopment Law (OCGA, Section 36-61-1, et. seq.)

Housing:

24. The Truth in Lending Act (Regulation Z)
25. Title I Consumer Protection Act (P.L. 90321)
26. The Lead Base Paint Poisoning Prevention Act (24 CFR Part 35)
27. Construction Industry Licensing Board Act (OCGA Section 43-14-1, et.seq.)
28. Georgia Industrial Building Act of 1982, as amended (OCGA Title 8, Chapter 2, Article 2, Part 1 “Industrialized Buildings”; Part 2 “Manufactured Housing (Mobile Homes)
29. Mandating State Construction codes, as well as the Georgia State Energy Code.

Environmental:

30. The National Environmental Policy Act (NEPA) of 1969 implemented by Executive Order 11514 of March 5, 1970, as amended by Executive Order 11991 of May 24, 1977, and the Council on Environmental Quality’s (CEQ) NEPA Regulations, 40 CFR, Parts 1500-1508
31. Environmental Review Procedures for the CDBG Program, HUD (24 CFR, Part 58)
32. The National Historic Preservation Act of 1966 as amended; particularly Section 106 and the Regulations of the Advisory Council on Historic Preservation
33. Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971; particularly Section 2(c)
34. The Reservoir Salvage Act of 1960; particularly Section 3, as amended by the Archeological and Historic Preservation Act of 1974
35. Flood Disaster Protection Act of 1973 as amended; particularly Sections 102(a) and 202(a)
36. Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951 et. seq.) particularly Sections 2 and 5
37. Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 56961 et.seq.) particularly Section 2(a)
38. Georgia Air Quality Act of 1978 (O.C.G.A. Section 12-9-1, et. seq.) to regulate air pollution and protect air quality
39. Shore Assistance Act of 1977 (O.C.G.A. Section 12-5-230, et. seq.)
40. Georgia Hazardous Waste Management Act (O.C.G.A. 12-8-60, et. seq.)
41. Georgia Health Code (O.C.G.A. 31-3-1, et. seq.) regulates individual sewerage treatment systems
42. The Coastal Zone Management Act of 1972 as amended; particularly Section 307(c) and (d)
43. The Safe Drinking Water Act of 1974 as amended; particularly Section 1424(e)
44. The Endangered Species Act of 1973 as amended; particularly Section 7
45. The Archeological and Historic Preservation Act of 1974
46. The Coastal Resources Barriers Act of 1982, as amended

47. The Wild and Scenic Rivers Act of 1968 as amended; particularly Section 7(b) and (c) (16 U.S.C. 1278(b) and (c))
48. The Clean Air Act Amendments of 1970 (P.L. 91-604, 42 U.S.C. 7401 et. seq.) as amended, particularly Section 176(c) and (d) (42 U.S.C. 7506(c) and (d))
49. HUD Environmental Standards (24 CFR, Part 51) Environmental Criteria and Standards (44 FR 40860-40866, July 12, 1979)
50. Georgia Coastal Marshlands Protection Act of 1970 (O.C.G.A. Section 12-5-280, et. seq.) to protect the ecology of marshlands/wetlands.
51. Georgia Groundwater Use Act of 1972 (O.C.G.A. Section 12-5-170, et. seq.)
52. Georgia Safe Drinking Water Act of 1977 (O.C.G.A. Section 12-7-1, et. seq.)

OTHER APPLICABLE COMPLIANCE REQUIREMENTS

Citizen Participation Requirement

At a minimum the City of Rome will undertake the following activities **before** funding a local RLF project:

1. Hold at least one (1) public hearing prior to funding a RLF activity. The activities undertaken under preceding RLF programs (if any) must be evaluated and discussed. The locality should also furnish information on the proposed project including the amount of RLF funds to be used, the number of low income jobs that will be created, and a general description of the activities to be funded.
2. A notice advertising the public hearing should be published in the non-legal section of a local newspaper at least five (5) days prior to the award and distribution of any RLF monies.
3. The needs of non-English speaking residents must be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.
4. The RLF's files should contain evidence that the public hearing was held, including a copy of the actual notice.

Sample Public Hearing Notice

_____ is considering applying to the City of Rome Revolving Loan Fund (RLF) for up to \$ ___ amount ___. These funds must generally be used for the following purpose:

1. to benefit low income persons; or
2. to aid locally owned business start ups or expansions where a financial need has been demonstrated and is warranted.

The activity for which the RLF funds may be used will be in the area of economic development. More specific details regarding the funded activity, the amount of assistance and jobs to be held

by low income persons will be provided at a public hearing that will be held at place/address on date, at time.

The purpose of this hearing will be to inform citizens of the most current RLF application received and to review the progress of previous EIP and/or RLF applications. Persons with special needs relating to handicapped accessibility or foreign language shall contact name/phone prior to date. This person can be located at address between the hours of _____, Monday through Friday.

NOTE: The local government administrator shall maintain detailed minutes of this hearing, a “tearsheet” of affidavit pertaining to the public notice and documentation as to whether or not “special needs” were required and, if applicable, addressed.

Environmental Requirements

Compliance with environmental laws should be completed and documented prior to the funding of any RLF project. This includes compliance with historic preservation regulations.

An environmental review must be completed. An Environmental Assessment is required in cases where construction is proposed. Projects that do not involve construction (i.e. purchase of machinery and equipment) may be exempt from the assessment requirement. If the environmental review process determines that the RLF project is exempt from the National Environmental Policies Act (NEPA) requirements and other environmental review procedures in accordance with 24 CFR Part 58, a Finding of Exemption Form must be filled out.

Davis-Bacon Act

The Davis Bacon Act is triggered for any construction-related project that involves Federal money when the amount of construction is over \$2,000. This means that any RLF money going into a construction activity (new construction, rehab, etc. but not furnishings, equipment, etc.) trigger the following compliance issues:

- wage rates must be requested for all construction trades
- Labor Standard Provisions and Wage Rates must be included in contracts
- Copies of weekly payrolls must be collected for all contracts (general and sub)
- Random interviewing of employees on site by RLF administrators

When a grant number is requested for an RLF Davis-Bacon wage rate request, simply indicate “City of Rome RLF Project” instead of the requested grant number.

Open Records Statute

Georgia law requires that “all state, county, and municipal records, except those which by order of a court of this state or by law are prohibited from being open to inspection by the general public, shall be open for a personal inspection of any citizen of this state at a reasonable time and place, and those in charge of such records shall not refuse this privilege to any citizen”

(O.C.G.A. 50-18-70). This means that past and current records on the use of CDBG/EIP funds are required to be open for public inspection.

However, certain proprietary information which is required by DCA to be included in an economic development application and must be supplied by a business in order to compete and which constitute a “trade secret” (O.C.G.A. 10-1-740) et seq.; 16-8-13(a)(4)) is exempt from disclosure under O.C.G.A. 50-18-70.

Conflict of Interest Prohibitions

In general, no person who is an elected or appointed official, employee, agent, consultant, officer or any person serving in a similar capacity with any participating public agency who exercise or have exercised any functions or responsibilities with respect to any RLF activities can benefit from local RLF activities.

In addition, those persons who are in a position to participate in a decision-making process or gain inside information regarding RLF proposed activities or related activities, obtain financial interest or benefit from the project, or have any interest in any contract, sub-contract or agreement with respect to any RLF project are also prohibited from benefiting from a RLF project.

The prohibitions against benefiting from a RLF project would apply to the covered individuals or those with whom they have family or business ties, for one (1) year following their tenure in the covered position. If questions arise concerning the conflict of interest prohibitions, we urge you to contact DCA in order to discuss the situation before proceeding with a questionable project.

Auditing Requirements

RLF accounting standards are to comply with the generally accepted accounting principles found in the Governmental Accounting and Financial Reporting Standards (State of Georgia Accounting Procedures Manual, July, 2003 or most current version) . DCA asks that the audit report include a balance sheet and income statement for the RLF.

Special Provisions for Employment Incentive Program (EIP) Capitalized Local Revolving Loan Funds

The following excerpt is taken from the State of Georgia Annual Action Plan for FFY 2003.

DCA may permit localities that have or will receive revenue (principal, interest or other payments) from EIP or other loans or leases to retain that revenue so long as it is used for the same activity that generated the revenue and also used in accordance with the requirements of this regulation and any other applicable federal, state, or local law, regulation, contract, guidance manual or memorandum.

For localities that will retain program revenue, DCA will require that such revenue be deposited into a separate revolving loan fund (RLF) account that bears the local government's name and used to carry out specific Title I eligible activities. The RLF must be created by a local resolution and implemented by local policies and procedures approved by DCA.

Localities allowed to retain program revenue must ensure that the RLF is adequately managed. DCA will categorize the RLF as being adequately managed so long as the following responsibilities are being met:

- a. Maintenance of an accounting and financial management system that complies with generally accepted accounting principals and DCA's guidelines for RLF financial management systems;
- b. Compliance with DCA's reporting requirements for local RLF's;
- c. Operation of the local RLF in accordance with DCA approved policies, procedures, and federal, state, and local law, regulation, contracts, guidance manuals and memoranda;
- d. Maintenance of a project review and selection committee with the capacity to review and analyze loan requests and determine whether such requests represent prudent investments as defined by generally accepted underwriting criteria;
- e. Maintenance of a loan packaging and structuring capacity that meets appropriate underwriting standards for security and documentation;
- f. Maintenance of a loan servicing and monitoring capacity which ensures that loan payments are collected, that loan covenants are enforced, and that loan security is maintained;
- g. Maintenance of a loan portfolio which represents investments in businesses engaged in sound business purposes that have demonstrated tangible employment of low and moderate income persons as defined by DCA; and
- h. Attendance at DCA sponsored training workshops that will be held periodically for purposes of training local RLF administrators.

To assist with the financing of a local RLF program's administrative cost, DCA will allow (on an annual basis) the greatest of 6% or \$2,500 of interest earned by the RLF to be used for administration and audit costs. In certain foreclosure and/or hardship situations, DCA may allow additional amounts to be expended for administrative, audit or legal costs.

Localities allowed to retain program revenue must also ensure that the RLF is utilized in a timely and efficient manner. DCA will categorize a RLF as being adequately utilized so long as the following criteria are met:

- a. The RLF is used to continue the same activity which generated the program revenue; and
- b. The RLF's cash balance (on average) shall not exceed \$125,000 or 30% of the total RLF assets, whichever is greater.

Should a locality be unable to utilize the RLF in accordance with items a and b above, the locality may request DCA to waive the provisions. DCA may grant waivers when it is determined that sufficient future activity is probable or the locality is taking steps to ensure

future activity. However, in general, a locality may not retain unused assets any longer than the full term of the original EIP/RFP loan, or five (5) years, whichever is shorter.

Loan Collection Policy

Following is the policy for collection of all loans made by the City of Rome from the Revolving Loan Fund:

1. The loan servicing policy will convert from a monthly reminder to a full amortization schedule with payment book given to each borrower in January 2010 with the expectation that full payment will be made each month in a timely manner.
2. If full payment is not made within 15 days, a \$35.00 penalty is added to the monthly amount due.
3. If full payment is not made within 30 days, a letter is sent by the City reminding the borrower of his or her overdue payment and warning them of actions to be taken for non-payment.
4. If full payment is not made within 60 days, a letter is sent by the City Attorney informing the borrower that they are in default and immediate payment must be made.
5. If full payment is not made within 90 days, the loan will be turned over to a collection agency or processed through the court system for default.

For those borrowers who are consistently late in making payments to the City of Rome, the RLF Administrator may deviate from the policy set forth above. On the third instance within a one year period where borrower has not made full payment in 30 days, the RLF Administrator may immediately request the City Attorney to inform the borrower that he or she is in default and immediate payment must be made. Any additional instances where the borrower is 30 days or more late may be immediately referred to the City Attorney to inform the borrower that he or she is in default and immediate payment must be made.

The RLF Administrator may depart from the collection policy if a hardship can be documented to his or her satisfaction. The determination of whether a hardship exists shall be at the sole discretion of the RLF Administrator. The RLF Administrator should maintain a copy of any departure from the foregoing policy in the borrower's file.