

August 28, 2012

Dear members:

You received an e-mail and/or letter from Department of Economic Development (DED) with new guidance regarding the Community Development Block Grant Economic Development Revolving Loan Fund (CDBG ED RLF) program in your community. The Northeast Nebraska Economic Development District (NENEDD) staff has reviewed this letter and briefly discussed moving forward on current projects with DED. There are still many questions to be answered and clarifications forthcoming from DED as to the future of this program. In the meantime, DED has indicated that if your community has projects that need to move forward using your CDBG ED RLF; you can do so, and has recommended using a Certified CDBG administrator to assist in administering the CDBG ED RLF in order to comply with all federal rules and regulations. This includes having a DED approved CDBG ED RLF plan that is followed. In order to insure that your project follows DED's recommendations, NENEDD is offering to administer your community's CDBG ED RLF, which includes the adoption of NENEDD's RLF plan as your own, if you so choose. NENEDD's administration Scope of Service includes:

- Application intake and review
- Proper level of environmental review
- Using NENEDD's RLF Loan Review Committee to make recommendations for approval/denial to your City Council or Village/County Board for final approval/denial
- Proper public notice and public hearing procedures
- Monitoring of Davis-Bacon compliance
- National objective compliance – LMI Job creation/retention monitoring
- De-federalize the CDBG funds through the Non-profit Development Organization (NDO) process
- Securing adequate collateral, including proper lien filings
- Loan servicing, including late payments, proper insurance, etc.
- Acquisition/Relocation, if applicable

We have attached a copy of NENEDD's RLF plan which outlines the entire process. There would only be minor changes necessary to the RLF plan to fit the needs of your community. If you are interested in having NENEDD administer your local program please contact one of our Business Loan Specialists, Jeff Christensen, ABPA, EDFP (402) 649-7223 or Holly Quinn, ABPA, EDFP (402) 379-1150.

Sincerely,

Thomas L. Higginbotham Jr

Thomas L. Higginbotham Jr
Executive Director