

**MINUTES
OF THE LOAN COMMITTEE OF THE
BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
(RDC)**

DATE AND PLACE: May 10, 2017, at the Erie County Industrial Development Agency, 95 Perry Street, Suite 403, Buffalo, New York 14203

MEMBERS PRESENT: Joseph H. Emminger, Rebecca Gandour, Thomas Grys, David McKinley, and Michael A. Taylor

MEMBERS ABSENT: Nancy LaTulip and John J. Mudie

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; John C. Cappellino, Executive Vice President; Bradley Bach, Assistant Treasurer; Gerald Manhard, Chief Lending Officer; and Robert G. Murray, Secretary

There being a quorum present at 9:07 a.m., the meeting of the RDC Loan Committee was called to order by its Chair, Mr. Emminger.

MINUTES

Upon motion made by Ms. Gandour, and seconded by Mr. Taylor, and unanimously carried, it was

RESOLVED, that the minutes of the RDC Loan Committee meeting of March 8, 2017 are hereby approved.

REVIEW AND DISCUSSION OF THE RDC LOAN ADMINISTRATION PLAN (LAP)

Mr. Manhard reviewed the proposed changes to the RDC 2017 Loan Administration Plan. Mr. Manhard provided historical background to the Revolving Loan Fund noting it began in 1979 and since its inception, has funded (through December 2016) in excess of \$118,000,000 in loans which has leveraged private local investment of over \$832,000,000 (a 7 to 1 ratio) and created/retained over 2,465 jobs. Mr. Manhard noted the Loan Administration Plan is required to be reviewed to insure its alignment with the needs of the region every five years. Mr. Manhard then reviewed the proposed changes as summarized below:

1. Allow financing of retail start-ups.
2. Standardize the fee structure.
3. Consolidate all RDC loan programs to include only micro-loans and macro-loans. Mr. Manhard noted that preferred terms will be provided to disadvantaged sectors including women and minority owned businesses.

4. Clarification regarding maximum term for an interest only period to 36 months.
5. Extended loan terms to include maximum loan amortization to 20 years.
6. Remove excess cash flow clause from loan requirements.
7. Introduce new line of credit product.
8. Implement financing ceilings for segments of the RDC loan portfolio for lines of credit, micro-loans and start-up businesses.
9. Increase the internal loan committee's loan approval from \$50,000 to \$100,000.
10. Increase board of director approval requirement from \$350,000 to \$500,000.
11. Implement tiered interest rates for loan products that are tied to prime interest rate.
12. Change new job requirement ratio from one job per \$50,000 to one job for every \$75,000 financed.
13. Change minimum loan amount from \$5,000 to \$10,000.

General discussion ensued. Mr. Grys moved and Ms. Gandour seconded, to approve of the recommended changes to the Loan Administration Plan and to send the amended Loan Administration Plan to the RDC Board of Directors. Mr. Emminger called for the vote and aforementioned motion was unanimously approved.

There being no further business to discuss, the meeting was adjourned at 10:15 a.m.

Robert G. Murray, Secretary