

## Marketing Your RLF Program



# Region 9 Economic Development District



- Non-profit 501c6
- Public/private partnership
- 5 counties
- 10 cities / towns
- 2 Native American tribes



## Region 9 Mission

To be a regional leader, working cooperatively with the private and public sectors to enhance the economic conditions in the area, and improve the region's economic prosperity.



# Region 9 Programs

- Economic Planning, Strategy & Technical Assistance (CEDS)
- Business Loan Fund
- Business Technical Assistance (incentives EZ/OZ)
- State Data Affiliate - Census, data reports, impact studies
- Community Technical Assistance (grants, special projects & initiatives)





# Business Loan Fund

Includes funding from:

- EDA-RLF (2)
- USDA (IRP and RMAP) (6) (2)
- Community Development Block grants (8)
- State granted funds from Office of Economic Development
  - Revolved funds
- Applied to be an SBA microlender



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# Loan Program Stats

First loan funding  
was EDA in 1990 -

\$29 Million  
dispersed to -  
date

\$6.1 million  
notes  
receivable

170 active  
loans

Loan loss  
5 – 6%

## Challenges:

Loan runoff of nearly 20-25% every year:  
a) ~20% of the portfolio amortizes off every year.  
B) ~2-5% will payoff early through refinances and  
c) ~1-2% of the portfolio will default

Average  
loan size  
\$60,000

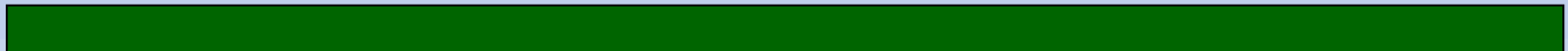
## Program targets



- Start-up businesses
- Not yet bankable
- Credit issues
- Job creation/  
retention
- Unique  
businesses/not put  
another business  
under
- Bank partnerships
- Direct base  
economic activity

## Innovative Terms

- 3-6 month draw period (similar to construction loans)
- Seasonal payment structure
- Escalating payment structure (as business grows)
- Longer amortization than collateral merits/ balloon payments
- Modifications (interest only, payment reduction)
- Technical Assistance grants with loans
- Convert loans to equity (event triggered, sales goal or other equity raised)– Very rare

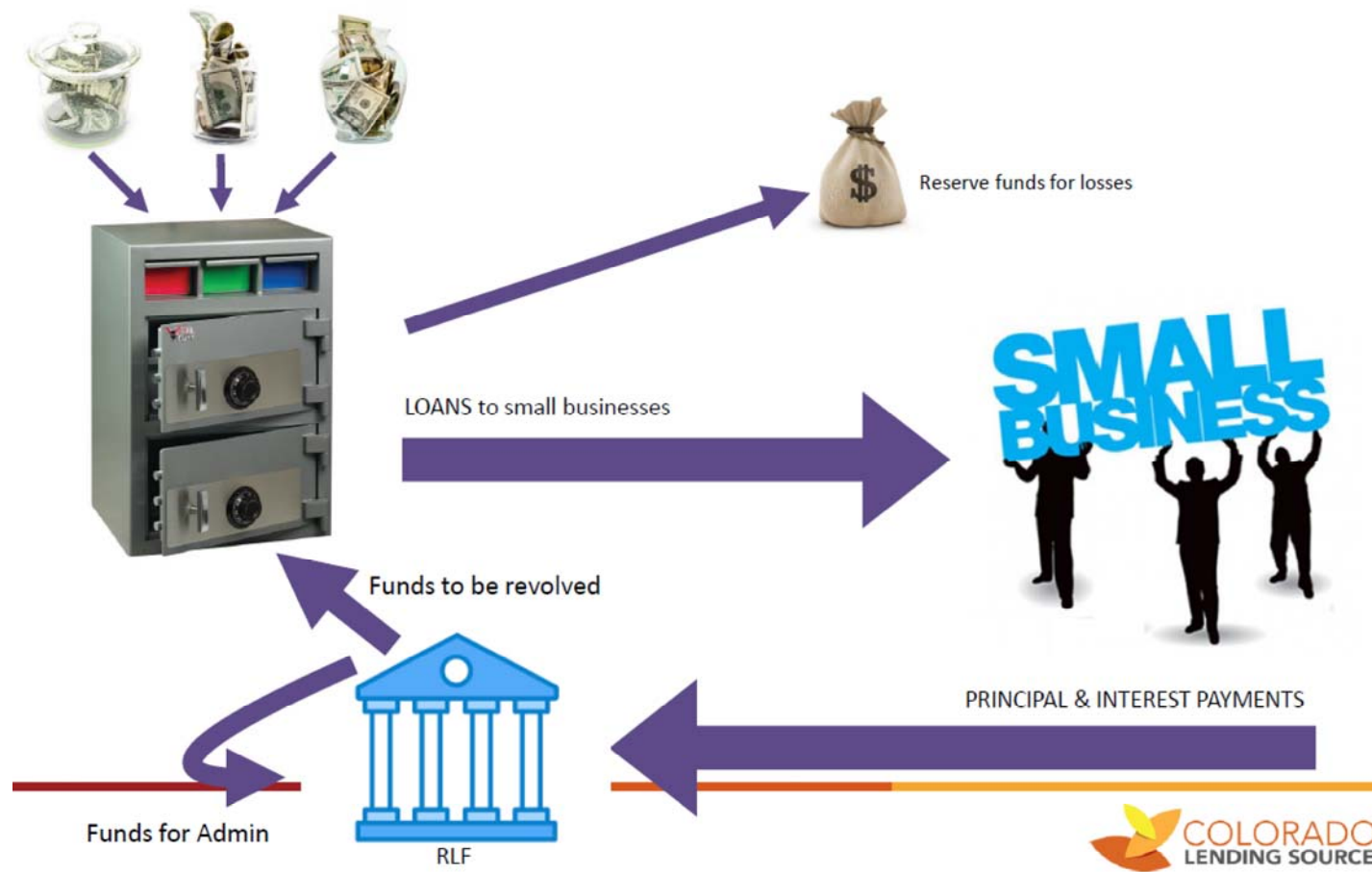


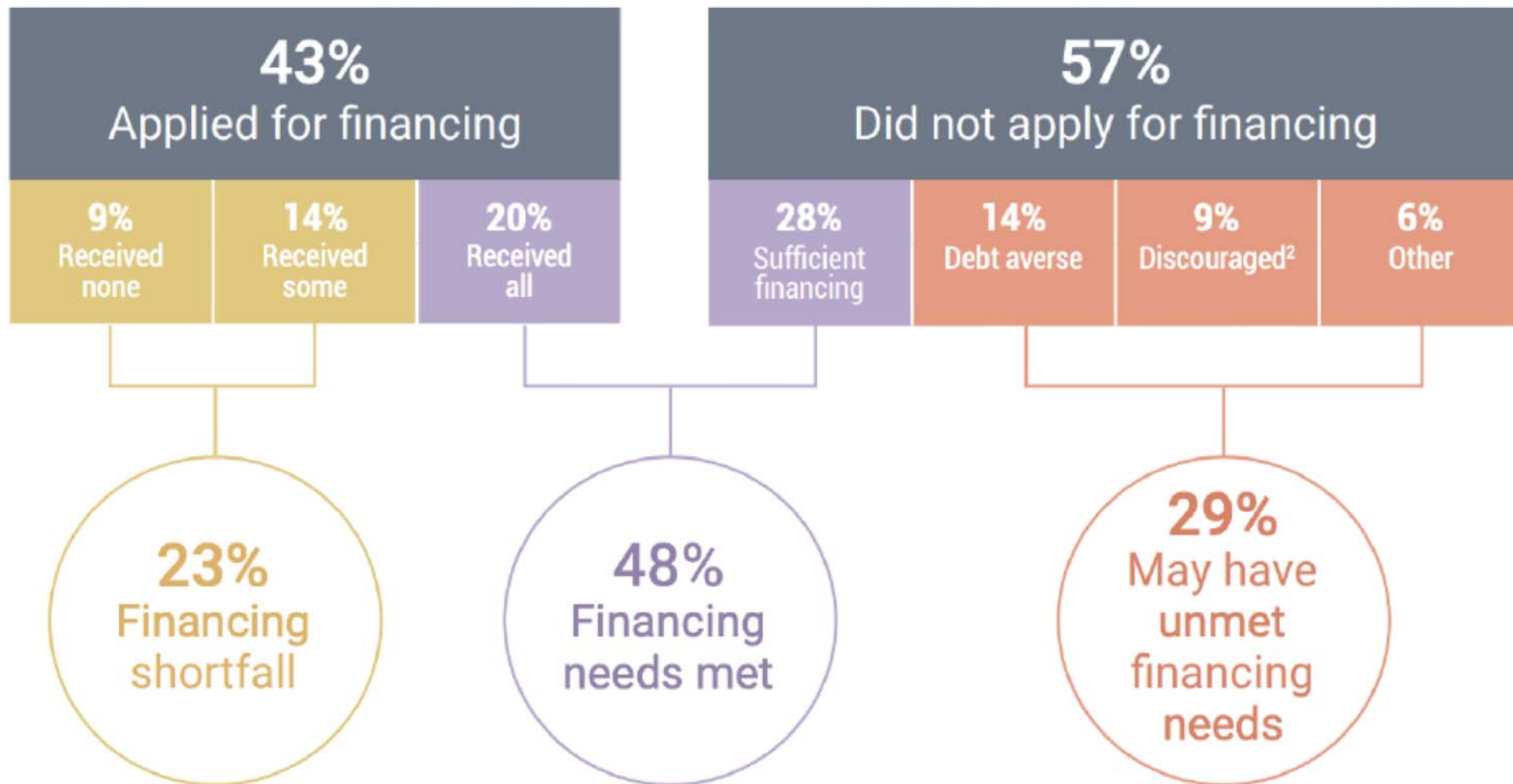


## Innovative Terms cont.

- Personal collateral for business loans Personal Property & Equipment (1968 Airstream)
- Co-Signers – limited guarantors
- Release and refile for home sales (refinance opportunities)
- Bank Participations
  - Subordinate on collateral
  - Interest rate blending
  - Take uncollateralized portion – gap financing
  - Guarantee portion of the loan (opened bank controlled CD)

# How does a Revolving Loan Fund Work?





## What does a Revolving Loan Fund Need?

- FUNDS to lend out
- A REASON to lend the funds
- Someone (one or more) to market the program, manage applications, prepare credit write-ups, facilitate approvals, coordinate fundings, receive payments, do servicing actions, and, most likely, liquidate loans
- A credit policy / servicing policy / liquidation policy to guide the RLF



## Marketing Components

Strategy	
Target Market	Regional businesses, governments, economic development groups, and community organizations that strengthen and enhance area economies
Positioning Statement	Lender of first resort for start-ups -- Dream Big, Plan Well or Be the Next Region 9 Success Story
Offering to customers	SW Colorado has an unmatched diversity of community amenities, business resources and information to diversify and strengthen the regional economies, as well as enhance the tax base.
Price Strategy	We receive state, federal and local government funds and charge a fee that varies by our service offering.
Distribution	Word-of-mouth, printed materials, publications, displays, direct mail, social media, public presentations, and web/email/phone calls.
Sales Strategy	Referrals from local, regional and state partners. Actively outreach banks, economic development groups and companies that bring money into the region.
Service Strategy	Exceed their expectations with qualified, responsive staff that follows up promptly and refers when necessary.
Promotion Strategy	Piggyback on relevant regional efforts whenever possible. Direct outreach and PR efforts help us raise awareness of our programs within the region.
Marketing Research	Monitor key demographic, economic and industry trends to identify new opportunities and needs.

# Marketing



Advertising – print, radio, TV, phone book,



Publicity –social media, video, photos, events, PSA, Website, Awards,



Promotion – Presentations, memberships, boards, media, info materials & swag



Stakeholders – monthly report, visits, Annual Report, meet with elected board, governments annually, client visits



Publications – Annual Report, newsletter



Advertising – print,  
radio, TV, phone book

Be the Next **Region 9** Success Story



DREAM BIG. PLAN WELL.

**REGION9**  
Economic Development District of SW Colorado  
Celebrating 30 Years!

Call to schedule an appointment  
at our Pagosa Springs location  
inside Bank of the San Juans at  
305 Hot Springs Boulevard

- Startup Loans
- Data & Technical Assistance
- Gap Financing
- SW Enterprise Zone Business Tax Credits

Offices in Pagosa Springs, Durango & Cortez 970.247.9621 scan.org

Thank you sponsors!





*Plated Lunch | Notable Speakers | Video Premiere*



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# Publicity

social media, video, events,  
PSAs, Website, awards  
[www.scan.org](http://www.scan.org)



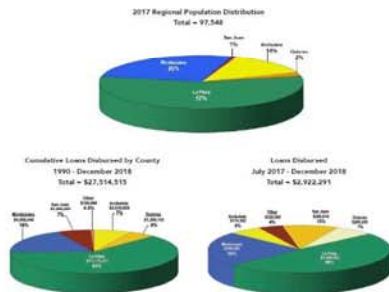
## Stakeholders

- Monthly report
- Corporate Annual Report
- meet with elected officials board, and governments annually
- Annual client visits

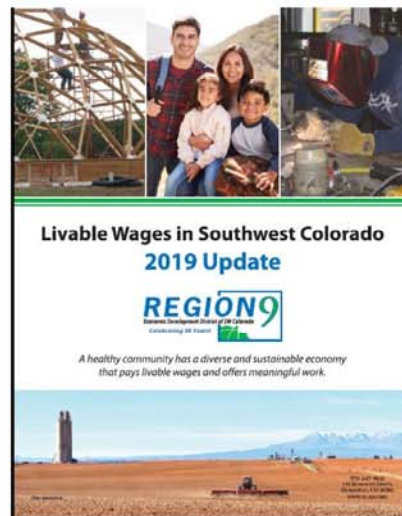
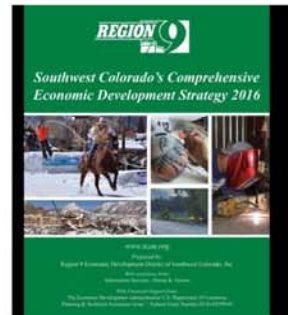
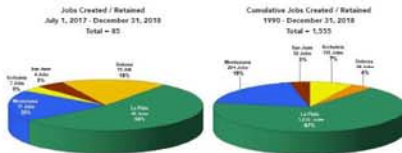


# Publications

Annual Report  
Brochures  
e-newsletter  
Data reports



The following charts illustrate the number of jobs created through our loan program.



# Promotion

Presentations  
Memberships to area  
Chambers etc.  
Sponsorships!!!!!!  
Participate on area boards  
Info materials  
SWAG



How to get  
the media to  
call you when  
you are NOT  
the story.







# Region 9

## A region that thrives on:



<https://www.youtube.com/watch?v=GErNjaQrHgY&feature=youtu.be>

- <https://youtu.be/GErNjaQrHgY>



0:04 / 3:14

Scroll for details





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