

Meeting Minutes
MEDA RLF Working Group Meeting
10/20/2015
10:30 am

Conference Call Attendees:

Gloria O'Rourke, Mark Menke (MT Business Assistance Connection), Kathy McLane, Danielle Williams, Kelcie Bates, Linda Grossman (NeighborWorks), Tori Matejovsky, Steve Clairmont, Anne Pichette, Sarah Converse, Brent Donnelly, Kathi Montgomery, Tiffany Melby, Sammie Chagnon, John Schneeberger (Ravalli County EDA), Carolyn Jones (MDOC), Karen Sweeney

Additions/Changes to Agenda: None; Tiffany strongly encouraged participants to submit topics for discussion prior to the call

New topics: Loan Loss Reserve – how are RLFs calculating their reserve?

Last Meeting Minutes: Posted on [RLF Working Group Homepage](#)

MEDA Update: USDA held a training following the MEDA conference, about 25 people attended; there was a pre-conference with Dept. of Commerce, good training

Brent went over IRP budget and reporting requirements, Brent to send out materials

Upcoming Trainings or Events: Brownfields – EPA assessment, clean up, and revolving loan fund grants due December 18th apps are due <http://www2.epa.gov/brownfields/apply-brownfields-grant-funding>; Oct 29 there is a pre-application webinar, free but need to register;

Entrepreneurial Spirit Tour – NADC (Native American Development Corporation), Blackfeet Community College and Sweetgrass Development to host at Holiday Inn November 19th in Browning 1:30-4:30

Choose/Innovate MT Workshops with GOED – <https://business.mt.gov/ChooseMontana>

Invest in Success Conference – in Havre March 15-16, 2016 at MSU-Northern

Questions/Discussion:

Reporting to credit agencies

- Steve (S&K Holding Co.)– do not currently report but want to increase accountability with clients; clients are paying other bills before their loan b/c S&K does not currently report
- Trans Union - have to have at least 100 customers to report; potential to partner with other loan funds
- Mark (MT Bus. Assistance Connection) – uses Credit Builders Alliance which shares information with all three reporting groups; Credit Builders takes smaller portfolios; reports personal and businesses specific to the guarantors – reports on

individuals' report what their business is doing; found it really effective; the charge is worth it, diligent about making sure reports are accurate; easy to work with; over 200 accounts on the books; strictly reporting group (pull reports with Trans Union); GMS has a supplements section that links in the credit reporting; build report in GMS (loan operations software) and then send report to Credit Builders Alliance; gives leverage for people to make their payments; able to pick and choose which reports to send in – syncs with software (can turn it on and off) <http://creditbuildersalliance.org/>

- Linda with NeighborWorks – reports to Trans Union; having issues with them not reporting what she sends every month; report to Experian with their GF company; trouble with credit bureaus is that when you are rejected you can't apply until the next year; have been encouraged to use Credit Builders Alliance; Equifax won't take an app unless you have over 500 loans
- Credit Builders Alliance – help set up the reporting form and train you to set up correct parameters; send email reminders and have peer groups; have to be really careful that you're reporting correctly; if make a mistake they are proactive about making corrections
- Portfol – feature available to do credit reporting <http://www.portfol.com/>
- EOscar - <http://www.e-oscar.org/> not good about making corrections
- Gloria – if there is enough interest, she could arrange for a webinar or a rep from Credit Builders Alliance to do a presentation

Fair and accurate credit reporting act – Borrower Identification

- NeighborWorks do take copies of drivers licenses; S&K Holding doesn't take driver's license but does take copies of tribal ids
- Is it needed? Tiffany to research and have an answer on the next call

Partnerships with local Banks/Collateral

- Sarah, requirements that they can only do up to 50% (CDBG/ED); gap financing and Sweetgrass takes a 2nd to bank; if they borrower is bringing in 50% then take a 1st; really successful partnership programs; Banks take 1st on property and let them take first on equipment and fixtures
- Steve: Sell a portion of the loans to the banks; gap financing; good relationship with banks; banks 70% or so; S&K will take 2nd and will raise the interest rate by a point or so; bank will refinance RLF out if the borrower can't pay off in 5 years
- John, exclusive participation loans; often in 2nd lien position on real property; go after chattle collateral; 1st on personal property

Topics for next meeting: Loan loss reserve calculations

Next Meeting: November 17th at 10am on the conference call line