



Portage County Treasurer's Office
Portage County GrowLink Program Parameters

Overview.

The Portage County GrowLink Program benefits homeowners, small businesses, and family farms in Portage County by making low-cost loans available for energy efficiency improvements, job creation/retention and operating expenses. Borrowers must qualify with a participating financial institution and the Treasurer's Office to participate in the program.

These loans are made available through linked deposits. The "link" in the program is the dollar amount. Portage County makes deposits at participating financial institutions of a portion of its total investment portfolio. In exchange, the financial institutions make a corresponding amount available to borrowers in the County at discounted interest rates.

The Portage County GrowLink Program is modeled on similar offerings from the Ohio Treasurer of State, and incorporates qualification criteria for the state's ECO-Link, GrowNOW, ReEnergize Ohio and ag-LINK programs as constituted at the time of GrowLink's creation. Such criteria as applied to the Portage County GrowLink Program are set out in further detail below.

Liability Limitations.

It is important to note that, while the program is based on linked deposits, the only "link" in the program is in the dollar amounts invested by Portage County and made available by lenders. Borrowers participating in the program are required to qualify for a loan using participating financial institutions' existing qualification processes, and those institutions bear all risks associated with the loans themselves.

Eligible Institutions.

Any banking institution that is qualified as a public depository of interim deposits of Portage County is eligible to participate in the Portage GrowLink Program. To sign up, institutions must provide documentation of their pre-qualified status, and affirmatively sign a memorandum of understanding with the Treasurer's Office and depository agreement with Portage County prior to commencing participation.

Available Loan Interest Rates.

The Portage County GrowLink Program offers borrowers discounted loan rates that are based on a combination of the federal funds rate and the chosen financial institution's premier CD rate at the time of the loan. The interest rate on loans under the program will be discounted between 1% - 3%, as follows:

The minimum available discount under the program is 1%. If the institution's premier CD rate – the federal funds rate is $\leq 1\%$, then the loan interest discount rate = 1%.

If the financial institution's premier CD rate – the federal funds rate is between 1% and 3%, then the loan interest discount rate = that value.

The maximum available discount under the program is 3%. If the financial institution's premier CD rate – the federal funds rate is $\geq 3\%$, then the loan interest discount rate = 3%.

Program Financing.

In exchange for lower borrower rates, the Treasurer makes matched deposits at participating financial institutions. Deposits are made contemporaneously with the issuance of loans made under the program (“just in time”), and in corresponding amounts.

The linked deposit interest rate offered under the program shall be calculated as follows:

*The financial institution's premier CD rate – loan interest discount rate = linked deposit interest rate.**

**Exception: If the calculated interest rate is $\leq 0\%$, then the linked deposit rate = 0%.*

The preferred instruments for linked deposits made under the program are certificates of deposit, but other similarly situated banking products allowable under the County's investment policy may be substituted at a financial institution's request with the Treasurer's written approval. The term of such instruments shall correspond to the length of loans made under the program.

Amount Available.

A total of \$2,000,000 is available for lending across all participating institutions and all program areas, on a first-come/first-served basis.

Sign Up Period.

Prospective borrowers may sign up for the program by completing a loan application and program application at any participating financial institution. Applications will be reviewed for approval on a case-by-case basis by the Treasurer's Office and the lender.

Borrowers may sign up for the program immediately after the program's inception, and on a rolling basis thereafter. Borrowers are limited to one loan per program category at any one time, but may reapply consistent with the rules set forth in this document.

Loan Terms.

Under the Portage County GrowLink Program, County residents may borrow monies at discounted rates for the following periods:

Home energy efficiency improvement loans: 5 years

Small business job creation/retention loans: 2 years (renewable once)

Small business operating loans: 4 years (non-renewable)

Agribusiness operating loans: 1 year (renewable annually)

Loans may be made for longer periods of time under the program at the discretion of the lending institutions, but discounts to loan amounts will only apply to the periods specified above. After the expiration of the discount period, loan rates will revert to the market rate for similar loans offered at the original time of lending.

Loan Amounts.

Under the Portage County GrowLink Program, County residents may borrow the following amounts at a discounted rate:

Home energy efficiency improvement loans: </= \$25,000

Small business job creation/retention loans: </= \$200,000

Small business operating loans: </= \$250,000

Agribusiness operating loans: </= \$50,000

Loans may be made for greater sums under the program at the discretion of the lending institutions, but discounts are available only to the maximum amounts listed above. Any borrowing over and above those amounts shall be at the market rate for similar loans offered at the original time of lending.

Borrower Limitations.

In addition to any loan qualification limitations participating financial institutions may utilize, borrowers under the GrowLink Program shall be subject to the following global limitations:

Borrowers must be current on all taxes owed to the County to participate, and remain so for the duration of the loan.

Borrowers are limited to one loan each per category at any given time.

In the interest of making improvements available to the greatest number of properties possible, no income limitations have been set.

Use Limitations.

Loan proceeds under the GrowLink Program must be utilized as follows:

Home energy efficiency improvement loans: Approved home energy efficiency improvements (see Form 2-H for details). Additionally, applicants must:

- Use loan proceeds for improvements to a primary residence located in Portage County, Ohio.
- Use loan proceeds for improvements to an existing residence owed by applicant.
- Use loan proceeds for home improvements geared toward improving energy efficiency of home.

Small business job creation/retention loans: Creation or retention of at least one full-time or two part-time jobs per \$50,000 borrowed. Additionally, applicants must:

- Be organized for profit, have headquarters in Portage County, Ohio, and operate a majority of facilities in Portage County, Ohio.
- Have fewer than 150 employees, the majority of whom must be Ohio residents.
- Maintain offices and operating facilities exclusively in Portage County, Ohio and transact business in Portage County, Ohio.

Small business operating loans: Renovation of existing structures, expansion of operations, upgrades/addition of equipment, or installation of approved energy efficiency products/systems. Additionally, applicants must:

- Be organized for profit, have headquarters in Portage County, Ohio, and maintain offices and facilities in Portage County, Ohio.
- Have fewer than 150 employees, the majority of whom must be Ohio residents.

Agribusiness operating loans: Finance upfront costs for feed, seed, fertilizer, fuel, and other related expenses. Additionally, applicants must:

- Be organized for profit, have headquarters in Portage County, Ohio, and have at least 51% of operations maintained in Portage County, Ohio.

Determinations as to whether or not a proposed project and/or borrower meets the qualification criteria outlined above shall be made by the County Treasurer at the time of application, and such determinations shall be considered binding and final.

Funds distributed under the program must be expended on a qualified project or returned to the issuing financial institution within one year of distribution. Participants will be required to provide documentation to that effect to the Treasurer's Office.

Participants who fail to spend loan proceeds on qualified projects and/or provide required documentation within one year of receiving loan funds will lose the discounted interest rate, and must repay any remaining balances at market interest rates calculated at the time of the loan's original issuance.

Veteran's Preference.

Veterans of the U.S. Armed Forces are eligible for special consideration under the GrowLink Program. In periods of high demand for funds under the program, applications from honorably discharged veterans (or their surviving spouses) will receive preference.

To receive the preference, prospective borrowers must check the box on their application indicating their veteran status, and present the Treasurer's Office with a Form DD214, Service Information Letter, or comparable documentation verifying military service dates and discharge status upon request.

Questions?

Feel free to contact the Portage County Treasurer's Office with questions at 330-297-3586, or via email at bcromes@portageco.com. Treasurer's Office hours are 8am – 4:30pm, Monday – Friday, closed for federally observed holidays.

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