



Ohio Revised Code

Section 166.07 Lending money from facilities establishment fund.

Effective: October 16, 2009

Legislation: House Bill 1 - 128th General Assembly

(A) The director of development, with the approval of the controlling board and subject to the other applicable provisions of this chapter, may lend moneys in the facilities establishment fund to persons for the purpose of paying allowable costs of an eligible project if the director determines that:

(1) The project is an eligible project and is economically sound;

(2) The borrower is unable to finance the necessary allowable costs through ordinary financial channels upon comparable terms;

(3) The amount to be lent from the facilities establishment fund will not exceed seventy-five per cent of the total allowable costs of the eligible project, except that if any part of the amount to be lent from the facilities establishment fund is derived from the issuance and sale of project financing obligations the amount to be lent will not exceed ninety per cent of the total allowable costs of the eligible project;

(4) The eligible project could not be achieved in the local area in which it is to be located if the portion of the project to be financed by the loan instead were to be financed by a loan guaranteed under section 166.06 of the Revised Code;

(5) The repayment of the loan from the facilities establishment fund will be adequately secured by a mortgage, assignment, pledge, or lien provided for under section 9.661 of the Revised Code, at such level of priority as the director may require;

(6) The borrower will hold at least a ten per cent equity interest in the eligible project at the time the loan is made.

(B) The determinations of the director under division (A) of this section shall be conclusive for



purposes of the validity of a loan commitment evidenced by a loan agreement signed by the director.

(C) there is hereby established the micro-lending program for the purpose of paying the allowable costs of eligible projects of eligible small businesses. From any amount that the general assembly designates for the purpose of the micro-lending program, the director of development shall, either directly or indirectly, make loans under this section to eligible small businesses. The director shall establish eligibility criteria and loan terms for the program that supplement eligibility criteria and loan terms otherwise prescribed for loans under this section, and may prescribe reduced service charges and fees. For the purpose of lending under the micro-lending program, the director of development shall give precedence to projects of eligible small businesses that foster the development of small entrepreneurial enterprises, notwithstanding the considerations prescribed by divisions (A)(1)(a) and (b) of section 166.05 of the Revised Code to the extent those considerations otherwise may have the effect of disqualifying projects of eligible small businesses. The director may enter into agreements with for-profit or non-profit organizations in this state to originate and administer loans made.

Fees, charges, rates of interest, times of payment of interest and principal, and other terms, conditions, and provisions of and security for loans made from the facilities establishment fund pursuant to this section shall be such as the director determines to be appropriate and in furtherance of the purpose for which the loans are made. The moneys used in making such loans shall be disbursed from the facilities establishment fund upon order of the director. The director shall give special consideration in setting the required job creation ratios and interest rates for loans that are for voluntary actions.

(D) The director may take actions necessary or appropriate to collect or otherwise deal with any loan made under this section, including any action authorized by section 9.661 of the Revised Code.

(E) The director may fix service charges for the making of a loan. Such charges shall be payable at such times and place and in such amounts and manner as may be prescribed by the director.