



Survey of Revolving Loan Funds and Entrepreneurial Capital: Selected Results

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Dr. Mark A. Edelman and Sandra Charvat Burke

Revolving loan funds and entrepreneurial capital are important issues for Iowa and its entrepreneurs. The survey reported here was conducted to learn more about the characteristics and practices of revolving loan funds in Iowa. This project was carried out by the Community Vitality Center at Iowa State University as a taskforce project of the Iowa Small Business Assistance





Connection (ISBAC), a newly formed statewide alliance of entrepreneurial support networks. The findings in this report are from thirteen of the 51 items in the survey that was conducted in the summer of 2011. Loan fund managers responded to the internet survey after first being contacted by email. There were 81 usable responses to the survey for a response rate of 41%.

20. What is the most recent interest rate charged on loans? If more than one rate is charged, please describe each type.




Rates ranged from 0.0% to 8.5%

Rate %	Count	Percent
0.0	10	13.0
1.0	2	2.6
2.0	4	5.2
3.0+	20	26.0
4.0+	17	22.1
5.0	13	16.9
6.0	1	1.3
8.0+	1	1.3
Varies	3	3.9
By prime	6	7.8

17. Does your program currently relend public or private grant funds?

	Response Percent	Response Count
Yes 	59.7%	43
No 	23.6%	17
Not Sure 	12.5%	9
Other (please specify) 	4.2%	3

23. Is co-financing with a local lender required for loan approval?

	Response Percent	Response Count
Yes 	44.3%	31
No 	51.4%	36
Not Sure 	4.3%	3
Other (please specify)		15

24. What periods for loan terms are allowed? (Check all that apply)

		Response Percent	Response Count
3 Years		57.1%	40
5 Years		80.0%	56
7 Years		68.6%	48
10 Years		68.6%	48
15 Years		10.0%	7
20 Years		2.9%	2
Not Sure		2.9%	2
Other (please specify)			18

25. Is a positive cash flow projection required for loan approval?

		Response Percent	Response Count
Yes		85.9%	61
No		11.3%	8
Not Sure		2.8%	2
Other (please specify)			8





26. Are tax returns required as part of the loan application?

		Response Percent	Response Count
Yes		82.4%	61
No		12.2%	9
Not Sure		0.0%	0
Other		5.4%	4




28. Is a business plan required as part of the loan application?

		Response Percent	Response Count
Yes		91.8%	67
No		5.5%	4
Not Sure		2.7%	2
Other (please specify)			6



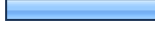
29. Is a minimum credit score required for approval?

		Response Percent	Response Count
Yes		9.5%	7
No		79.7%	59
Not Sure		6.8%	5
Other		4.1%	3




34. Is technical assistance provided to the loan client during the term of the loan?

		Response Percent	Response Count
Yes		66.2%	45
No		27.9%	19
Not Sure		5.9%	4
	Other (please specify)		14




35. Would access to additional business technical assistance coaching improve your loan client's odds for business success?

		Response Percent	Response Count
Yes		57.7%	41
No		12.7%	9
Not Sure		29.6%	21
	Other (please specify)		7

36. In the past, has the fund co-sponsored local business development workshops for entrepreneurs?

		Response Percent	Response Count
Yes		20.5%	15
No		76.7%	56
Not Sure		2.7%	2
	Other (please specify)		7

37. Would the fund be interested in co-sponsoring local business development workshops for entrepreneurs in the future?

		Response Percent	Response Count
Yes		47.1%	33
No		22.9%	16
Not Sure		30.0%	21
	Other (please specify)		14

50. In your opinion, what is the most important single action for improving entrepreneurial development in Iowa?

Count	Response
10	More equity funds, more risk taking by financial entities, more early stage capital, seed funds, more rural angel funds, community driven investment and entrepreneurial development program
8	Rural technical assistance, SBDC expansion, startup assistance
7	Entrepreneurial and financial education
6	Better access to low interest loan funds
3	Increase entrepreneurial capacity and ideas
3	More awareness of funds, TA availability, matching entrepreneurs with resources
2	Entrepreneurial grants and business plan competition
1	Rehab buildings for entrepreneurial businesses
1	Competitive tax system in Iowa
1	Covering health care for entrepreneurs

Community Vitality Center
 183 Heady Hall
 Iowa State University
 Ames, IA 50011-1070
 515-294-6144
 cvc@iastate.edu
 www.cvcia.org
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