



## COMMUNITY LOANS

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| Responsible Officer:<br><b>Manager Community and Recreation</b> | Adoption Date: | August 2015          |
|   | Approved By:   | Council              |
| Authorising Officer:<br><b>Director Community Wellbeing</b>     | Review Date:   | June 2020            |
|   | Policy Type    | Major Council Policy |

### INTRODUCTION

Groups and organisations either locally based or those meeting a demonstrated need within the Rural City of Wangaratta may need Council support through provision of a financial loan where alternative grants or loans are either limited or not available. This policy provides for the provision of loans that meet the required criteria in such circumstances.

### SCOPE

This policy applies to all organisations making application to Council for a community loan.

### PURPOSE

The purpose of this policy is to:

- Establish a process whereby groups and organisations meeting the eligibility criteria laid down by Council are afforded the opportunity to apply for a community loan;
- Establish the eligibility criteria Council will be seeking to be met to ensure that the loan is used to the best advantage of the community at large; and
- Ensure all applications for financial assistance are considered in a consistent manner and are based on merit in conjunction with all other priorities.

### POLICY

#### COMMITMENT

Council acknowledges and accepts the need to provide financial assistance in the form of a loan to groups and organisations either locally based or those meeting a demonstrated need within the Rural City of Wangaratta where alternative grants/loans are either limited or not available; and a clearly defined objective can be targeted.

#### CRITERIA

An application for a community loan will only be considered where there is evidence that all other possible sources of funding have been exhausted.

Applications for a community loan will be assessed on an individual basis by Council.

The recipient of a community loan must be an incorporated non-profit community organisation located within the municipality.

The purpose of the loan must be deemed by Council as one which provides a direct benefit to the residents of the community, responds to a community need and is consistent with any relevant development document e.g. The Community 2030 Vision, Wangaratta Recreation and Parklands Masterplan etc.

The project must be a new project. Re-financing of existing commitments will not be accepted.

A community loan will only be approved by Council where there is strong evidence to suggest that loan repayments can feasibly be met and that the level of risk is ascertained to be minimal.

Council may require a minimum of three personal guarantors for a loan, or provision of a bank guarantee in favour of Council to the value of the loan.

### **LOAN AGREEMENT**

All approved community loan applicants will be required to enter into a written agreement with Council.

Interest rates and repayment terms will be set by the Council in a consistent manner on a case by case basis.

### **DEFAULT**

Where an organisation defaults on its loan obligations, the organisation will be ineligible for further loans or grants until the loan is repaid or other suitable alternatives agreed to by Council. Within one month of default the borrower must provide Council with a plan to address the problem.