

# COÖS ECONOMIC DEVELOPMENT CORPORATION

## Revolving Loan Fund

<u>Purpose</u>	The Revolving Loan Fund (RLF) is intended for permanent working capital, fixed asset and gap financing needs for start-up and existing businesses located in Coös County.
<u>Eligibility</u>	To be eligible for financing the business must be able to: <ul style="list-style-type: none"><li>• Meet the SBA definition of a “small business” as defined by less than 500 employees and annual revenues not to exceed \$1.0M (most recent three year average)</li><li>• Business must be located within Coös County</li><li>• Business must demonstrate the capacity to repay the debt</li><li>• Business must show a creation or retention of jobs</li></ul>
<u>Allowed Uses</u>	<ul style="list-style-type: none"><li>• Purchase owner occupied commercial real estate</li><li>• Acquisition of Machinery &amp; Equipment</li><li>• Working Capital</li><li>• All other uses will be considered</li></ul>
<u>Prohibited Uses</u>	<ul style="list-style-type: none"><li>• Loan Guarantees</li><li>• Purchase non-owner occupied commercial real estate</li><li>• Payment of past due taxes</li><li>• Refinance of existing debt (except to term out LOC)</li></ul>
<u>Funding Limits</u>	Maximum loan amount is \$25,000.
<u>Interest Rates</u>	Existing businesses: Prime to Prime + 1.0% Start-up businesses: Prime + 1/0% to Prime +2.0% CDBG Funds: Prime +1.0% to Prime +2.0%
<u>Length of Term</u>	Initial term not to exceed 5 years
<u>Fees</u>	Application fee of \$50 (non-refundable) Origination fee of no more than 2% of the loan amount Closing costs to be paid by borrower
<u>Other</u>	Borrower is required to inject 10% equity. Personal guarantees of all officers and owners of 20% or more interest will be required.