

## REVOLVING LOAN FUND PURPOSE

SMALL TOWN MAIN STREETS  
ECONOMIC GROWTH  
CREATE PRIVATE SECTOR JOB

For more information about the East  
Alabama Regional Planning and  
Development Commission Revolving  
Loan Fund Program or other economic  
development programs please  
contact:



# REVOLVING LOAN FUND

## JOINING FORCES

### NEW PARTNERSHIP

We are proud to offer extensive  
services to our community and  
future business owners!



**EARPDC**

1130 Quintard Avenue, Suite 300

P. O. Box 2186

Anniston, Alabama 36202

Eligible businesses must be located within  
the Calhoun, Chambers, Cherokee, Clay,  
Cleburne, Coosa, Etowah, Randolph,  
Talladega, and Tallapoosa Counties.

please contact:

**Stephanie Crosson**

*RLF Project Administrator*

(256) 237-6741 (tel) ext 112

(256) 237-6763 (fax)

[stephanie.crosson@earpdc.org](mailto:stephanie.crosson@earpdc.org)

[earpdc@earpdc.org](mailto:earpdc@earpdc.org)

Eligible businesses include:

- Small and medium size businesses.
- New entrepreneurial ventures.
- Manufacturing businesses which diversify the local economy.
- Any legitimate business proposal resulting in a significant creation of new employment opportunities for local residents.

## Funds can be used for :

- Purchasing and development of land and facilities.
- Financing and development of new businesses, including:
- Construction of new facilities.
- Renovation and/or expansion of existing facilities.
- Purchase machinery and equipment.
- Working capital needs.



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## Interest Rate & Limits

The RLF Program may provide fixed, variable, or adjustable rate interest loans, which will be generally available at below market rates.

The borrower must justify the need for the below market rate. The private lenders will set the interest rates for their loans.

The EARPDC RLF Program can provide up to \$250,000 or 33% of a project, whichever is less. Certain job creation requirements and equity injection requirements must be met.



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## Loan Terms

The terms of the RLF Program loans should be matched to the uses of funds, with long-term financing structured to the productive life of fixed assets. The maturity terms on loans will vary. Repayment terms will also vary.



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## Process

The potential borrower should contact a private lending institution to discuss conventional financing. If gap financing is required, the borrower and the lending institution should contact the East Alabama Regional Planning and Development Commission.

Once an application with all required documentation is submitted, the RLF Board will review. If approved, the private lending institution and RLF documents are executed simultaneously.



## Documentation

Like any private lender, the RLF Program will require the following:

- Financial statements.
- Evidence of sufficient cash flow to service the debt.
- Personal guarantees of principles, partners, spouses, and owners.
- Personal financial statements.
- Business Plan.

### UPON APPROVAL

One time processing fee of 1½% on the amount of the loan due at the time of closing. Annual servicing fees of ½% on the declining loan balance.

The borrower will pay all closing costs including attorneys' fees, probate recording fees, and UCC filing fees.



## RLF GUIDELINES

The purpose of the RLF Program is to create or retain jobs in our East Alabama Counties and to leverage private sector capital investment. The following criteria will be used in evaluating loan applications:

- Funding with satisfactory terms and conditions must be unavailable from conventional lenders.
- Job creation requirements must be met.
- Equity injection will be required for most loans.
- The RLF can provide up to 1/3 of a project's total cost, (not to exceed certain maximums), with other funding sources providing the balance of the required financing.
- A private lender must be willing to participate in funding the project in cooperation with the RLF Program.
- The loan must be secured with adequate collateral.