

Revolving Loan Fund

GENERAL GUIDELINES

Type of Assistance: The Loan Fund will provide direct loans to businesses that are either new, expanding, or undergoing physical improvements within the city. The interest rate charged is 3% and the length of the loan will be determined for each project individually based on the loan amount. In no case will the term of the loan exceed five (5) years. The maximum loan allowed to a single business is \$50,000.

Eligibility: Applications will be considered from many sectors of the local economy. These include businesses involved in manufacturing, service, or retail operations.

Application Procedure: Applications for the Revolving Loan Fund will be accepted by the BCEDC Loan Committee at any time during the year and considered on a continuous basis contingent on the availability of loan funds. Application is to include a history of the business, projections, a formal business plan, and authorization for the release of personal and credit information. The City will take action on complete applications within 60 days of receipt. Action may include funding the application for all or part of the requested amount, denial of the application for funding, or requesting that additional information be supplied prior to making a final decision.

An original application shall be submitted to the BCEDC Loan Committee. Application forms and instructions will be available upon request from the City Administrator.

Threshold Criteria:

- A. Loan funds shall provide no more than 35% of the financing for any project up to a maximum of \$50,000.
- B. There must be evidence of adequate private equity.
- C. There must be evidence that Revolving Loan Funds are necessary to make the proposed project feasible.
- D. There must be evidence that the project is feasible and that the business requesting assistance can continue as “going concern” in the foreseeable future without additional or ongoing assistance.