



REVOLVING LOAN FUND EDA PROGRAM (Federal)
GUIDELINES

ELIGIBLE USES:

- Purchase and develop land and facilities
- Construct new buildings
- Renovate or modify existing buildings
- Purchase machinery and equipment
- Respond to working capital needs

ELIGIBLE APPLICANT:

- Small business/industries located or expanding in the counties of Colbert, Franklin, Lauderdale, Marion, and Winston.

TERMS:

- Land and Building 10 years
- Equipment 7 to 10 years
- Working Capital up to 5 years

RATES:

- Negotiable, based on current prime. Generally, less than prime. The minimum allowable is 4% and the maximum is 10%.

LOAN AMOUNTS:

- Minimum amount \$10,000.00
- Maximum amount \$125,000.00

FEES:

- \$100.00 - Non-refundable application fee

BORROWER INJECTION:

- Minimum of 10% of project amount

COLLATERAL:

- Loans are to be secured by lien positions on collateral at the highest level of priority which can accommodate the borrower's ability to raise debt and equity capital. Generally personal and cooperate guarantees are required.

PERSONAL GUARANTIES:

- Required for all shareholders of 20% or more

ADDITIONAL REQUIREMENTS:

- Financial information and documentation
- Two years of previous tax returns
- Sufficient cash flow to service the debt
- A goal of \$10,000 per job created and/or retained