



THE ECONOMIC DEVELOPMENT CORPORATION OF JACKSON COUNTY

SERVED BY THE ENTERPRISE GROUP OF JACKSON, INC.

Revolving Loan Fund Program

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Gap Financing~ Low-interest Loans

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OF JACKSON COUNTY

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GROUP OF JACKSON, INC.

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WHAT IS A REVOLVING LOAN FUND (RLF)? These funds are intended to help diversify the local economy by providing short and long-term, low interest loans (capital) for business expansions and start-ups, product diversification and the attraction of new industry. A borrower becomes eligible for RLF financing if financing of a project with their primary lender is not available at terms and conditions, which permit the successful completion of the project being financed. The RLF is better classified as gap financing. The Economic Development Corporation (EDC) must take a second on the loan behind a primary lender.

WHO IS ELIGIBLE? Companies within Jackson County or moving into Jackson County, which add value and for who benefits from the RLF loan will remain within Jackson County. Preferred applicants will be those employers who create or retain economic base jobs (e.g., manufacturers, agribusiness, mineral extraction, some traffic destination generators, and regional service/business magnets). However, commercial businesses (e.g., retail, services, wholesale, developers, etc.) are also eligible.

WHAT CAN BE FINANCED WITH A RLF?

Primary Activities: acquisition, rehabilitation and construction of industrial property; loans for machinery and equipment, supplies, materials, and working capital.

Secondary Activities: Commercial development.

LOAN TERMS AND CONDITIONS:

- Interest Rate: Governed by request and need; the interest rate that will be charged to borrowers through the program shall range from 4% below prime to 4% above prime. The rate shall not fall below 4%.
- 2:1 Collateral Ratio: Two asset dollars for each one RLF dollar loaned.
- 2:1 Leveraging Ratio: Two private dollars for each one RLF dollar loaned.
- \$10,000 for one job Lending Ratio: For each \$10,000 from the RLF, one job will be created (or retained).
- Maximum Loan: \$200,000 and Minimum Loan: \$15,000
- All borrowers will be required to provide 10% toward any project being financed.
- Payback terms are tied to the economic life of the item being financed and the cash-flow needs of the business (Fixed Asset loans 3-20 years and 12-36 months for working capital loans). Terms and conditions are subject to review by the EDC Loan Review Committee and EDC Legal Counsel.
- Fees are generally around \$1,500 (**Non-refundable** Application fee of \$100, legal fees, title work, custom deposit tickets, recording/filing fees and any additional administration fee associated with the loan).
- Annual Financial information and site visits by EDC Staff are required.