

Upper Valley Economic Corporation's Revolving Loan Fund Program Overview

Purpose

To provide capital to small businesses unable to obtain credit through conventional sources. Minority entrepreneurs, woman business owners and self-employed individuals with limited incomes are encouraged to apply.

Eligibility

Businesses must operate for profit and if operating presently have 50 or fewer workers and have a projected revenue of less than a million dollars, or it can be a start up company.

Uses

Borrowers may use funds for the purchase of machinery and equipment, furniture and fixtures, supplies and working capital, and renovations acquisition and development of land, easements, and rights-of-way.

Limitations

RLF funds will not be used to produce agriculture products through growing, cultivation, and harvesting either directly or through horizontally integrated livestock operations, except for commercial nurseries, timber operations, or limited agricultural production related to technical assistance projects. RLF funds may not be used for construction, conversion, enlargement, repairs or modernization of buildings (including facade repairs). Loans may not be used to repay existing debts.

Loan Size and Fees

Loans range from a minimum of \$2,000 to a maximum of \$5,000. A \$100 application fee shall be submitted with each application. Costs associated with processing the application (e.g. credit report fees, UCC and lien search fees, filing security documents, filing legal documents fees, etc.) shall be the responsibility of the applicant. The Loan Committee may waive or amend this fee structure without further approval from the grantor. The interest rate will typically range from 3-5% and typically will not exceed prime rate by more than 2%. The Loan Committee will determine the rate.

Terms of Loan

The maximum term for a RLF Loan is seven years or the life of the security. However, terms will vary depending upon the uses and the earnings of the business.

Collateral Requirements

At a minimum, any assets that are bought with the RLF Loan must be taken as collateral. Other collateral, including business & personal assets, may be required. The personal guarantee of the business owner will be necessary.

**Terms listed here may be stricter as regulated by the USDA.*