



# THE ECONOMIC DEVELOPMENT CORPORATION OF JACKSON COUNTY

STAFFED AND SERVED BY THE ENTERPRISE GROUP OF JACKSON, INC.

## Revolving Loan Fund Program

### WHAT IS A REVOLVING LOAN FUND (RLF)?

These funds are intended to help diversify the local economy by providing short-term, low interest, working capital loans for business expansions and start-ups, product diversification and the attraction of new industry. The RLF Program seeks to enable businesses to acquire necessary financing that might otherwise be unavailable for cash flow shortage, according to the lenders analysis. The RLF Program will participate on loans with a borrower who is engaged with a primary lender to be eligible.

The RLF is better classified as gap financing. The Economic Development Corporation (EDC) must take a second on the loan behind a primary lender, and follows the lead of the primary for terms, and lenders credit, operational, and financial risk assessments.

### 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; and those that have collateral.

### WHAT CAN BE FINANCED WITH A RLF?

**Primary Activities:** Working Capital loans for machinery and equipment, operational expenses, supplies, and materials.

### LOAN TERMS AND CONDITIONS:

**Interest Rate:** Governed by request and need; the interest rate charged to borrowers through the program shall be minimal, and based on the primary lender rates.

**Minimum Loan:** \$15,000

**Maximum Loan:** \$200,000

Payback terms are tied to the economic life of the item being financed and the cash-flow needs of the business typically 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 \$1,000 (**Non-refundable** Application fee ranges between \$100 to \$300, dependent upon the amount requested) plus any legal fees, title work, recording/filing fees and any additional administration fee associated with the loan.

Annual Financial information and site visits by EDC Staff are required.

### APPLY

Visit the EDC Partner Page on The EG website at: <https://enterprisegroup.org/partners/edc/>

### QUESTIONS FOR EDC STAFF?

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