



Revolving Loan Fund

LRCOG Can Help Make Your Business Project a Reality

Business Loans for Lee and Russell Counties



RLF - An Entrepreneurial Partnership



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This May be Your Financing Answer

Your business is ready to expand, grow, renovate and improve. But, there's a gap between what the bank can lend you and the equity you can provide. Where do you go?

To Lee-Russell Council of Government's Business and Industry Revolving Loan Fund. Our mission is to help bridge that gap for qualified small and medium sized companies in Lee and Russell Counties.



What Is a Revolving Loan Fund?

A Revolving Loan Fund (RLF) is a locally controlled source of capital used to finance start-up and expanding small and medium-sized businesses. Working in collaboration with a private lender, we lend the funds to leverage private sector investment. As a program of Lee-Russell Council of Governments' Planning and Economic Development Department, our goal is to create and retain good, well-paying, permanent jobs in the bi-county area.

We emphasize that this is a three-way partnership among your business, a private lending institution and us, the RLF. We can offer attractive financing packages to prospective borrowers that can decrease debt service through lower interest rates and longer payment terms. The equity from your business, plus bank financing and our participation, provide the capital you need to grow and succeed.

How Can Loan Proceeds Be Used?

- To purchase land
- To purchase buildings
- To construct new buildings
- To renovate existing buildings
- To purchase machinery and equipment
- To provide working capital

Types of Businesses and Industries

- Hospitality
- Agriculture
- Entertainment
- Food Service
- Technology
- Manufacturing and Logistics
- Medical Practices
- Environmental and Maintenance Services
- Bio-Tech



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How Do You Apply for a Loan?

The first step is a meeting with RLF staff to determine if the proposed project meets program guidelines. If the project is found to have merit and a sound possibility for success, the prospective borrower is asked to complete a loan application and submit it to Lee-Russell Council of Governments.

Decisions concerning approval or disapproval of loans, terms and interest rates are made by the RLF Loan Review Board whose members represent all areas within the Lee-Russell region. The Board, following state and federal regulations, processes all loan applications with a minimum of red tape. Because local people are making local decisions, you get a quicker turnaround on your loan request.

Contact Taylor Dobson, Small Business and Industry Revolving Loan Fund Manager, tdobson@lrcog.com or (334) 749-5264 or Lisa Sandt, Planning and Economic Development Director, lsandt@lrcog.com or (334) 749-5264.

How Much Can I Borrow?

Typical projects range from \$100,000 to \$1 million total with RLF's portion up to 40% of the total amount. The private lender is required to provide 50% of total and the owner/ borrower, 10% in equity.

Example:

Total Project Amount:	\$ 500,000
Private Lender Portion (50%)	250,000
RLF Portion (@ 40%)	200,000
Owner/Borrower (10%)	50,000

Who Is Eligible for RLF Loans?

Our focus is to provide loans to for-profit, new and existing businesses in Lee and Russell Counties. In general, eligibility is based on loans to businesses that will add economic value, enhance regional development potential and create and retain jobs. One permanent, full-time equivalent job for each \$20,000 of RLF loan participation is generally required.

RLF Key Points

- Interest rates are FIXED.
- Typical total projects range from \$100,000 to \$1 million.
- Businesses must provide 10% of project cost in equity.
- Financing terms are longer-- 15 years or more for land and buildings, 10 years for fixed assets and 5 years for working capital.
- Permanent full-time equivalent jobs must be created or retained relative to the amount of the loan.
- There is no penalty for early pay-off or pre-payments.
- Both principals and business must be credit-worthy and generate sufficient cash flow to repay debt.
- Hazard and key man insurance naming Lee-Russell Council of Governments as loss payee is required.
- Businesses are responsible for all legal costs associated with loan closing.
- An annual loan servicing fee of 1/2% based on a declining RLF loan balance is charged.
- Businesses must be located in Lee or Russell Counties.
- Multiple loans to businesses are possible.

