



Bankers: Spread the Risk – Partner with the State in Helping Small Business

Summary

The Business Development Revolving Loan Fund (RLF) can be used in the Appalachian Region for loans to small businesses that create or save jobs: application available online at www.dca.ga.gov/economic/financing

Funding

Funds for the Business Development Revolving Loan Program were granted to DCA by the Appalachian Regional Commission. DCA administers the RLF but loans are made through local development authorities (LDAs). The DCA Loan Committee reviews all loan requests and sets terms for each approved loan application depending on project needs.

- Low cost loans: below-market rates
- Subordinate financing
- Streamlined application process

Eligibility Requirements

- Loans are made to private, for-profit businesses.
- The loan applicant must demonstrate ability to repay the loan.
- The loan recipient must create or save at least one job for every \$20,000 of RLF loan funds received.
- Business owners must arrange financing for at least 50% of the cost of their proposed project. Past investments usually are not counted toward this 50% requirement. (Note: other lending institutions may provide some or most of the money needed to meet the 50% requirement.)
- A minimum 10% equity injection is required.

Eligible Uses

- New construction and rehabilitation.
- Building acquisition.
- Equipment purchase and installation.
- Facade improvements.

Ineligible Uses

- Speculative projects.
- Projects appropriate for 100% private sector financing.
- Assistance to businesses relocating jobs from one labor market area to another.
- Refinancing.

Loan Amounts

The maximum loan amount is \$200,000 per qualifying business, or 50% of total project cost, whichever is less. There is no maximum project amount.

Loan Terms

Interest Rate: below-market rates.

Repayment Period: up to 15 years, depending on the useful life of the assets financed with the loan.

Collateral: usually a second lien on real estate.

Eligible Counties

Banks, Barrow, Bartow, Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson, Douglas, Elbert, Fannin, Floyd, Forsyth, Franklin, Gilmer, Gordon, Gwinnett, Habersham, Hall, Haralson, Hart, Heard, Jackson, Lumpkin, Madison, Murray, Paulding, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White, Whitfield

How to Apply

Businesses considering a project that may be suitable for financing through the Appalachian Business Development Revolving Loan Fund are encouraged to:

- Meet with DCA to discuss loan requirements.
- Complete the application form and certifications.
- Obtain the approval of your LDA, which must act as lender of RLF funds. DCA can provide assistance in the process of establishing an LDA as well.
- Applications will normally be reviewed by DCA's loan committee within 30 days after submission of a completed application.

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