

INFORMATION

For additional information about the NCC revolving loan fund program or to obtain a copy of a loan application, contact:

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Revolving Loan Fund

SERVING
COOS, CARROLL, GRAFTON COUNTIES



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107 Glessner Road
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PURPOSE

The Revolving Loan Fund is to provide financing to businesses that cannot meet their entire financing needs through conventional sources of financing from banks and other financial institutions. Our aim is:

- ◆ Job creation and retention
- ◆ Support innovative entrepreneurs
- ◆ Contribute to the revitalization of economically distressed communities
- ◆ Create effective strategic partnerships to maximize regional resources for economic development

ELIGIBILITY

Revolving Loan Fund monies are available to businesses of all sizes that are located in Carroll, Coos, or Grafton County. NCC RLF funds are used to fill any gaps that exist because of a business's lack of access to other sources of financing.

LOAN SELECTION CRITERIA

Criteria to be considered for loan selection are factors such as:

- ◆ Number of jobs created or retained
- ◆ Loan compliments community development strategy
- ◆ Other public lending program involvement (city, county, state, federal)
- ◆ Expansion proposal from eligible existing client in good standing

USE OF LOAN FUNDS

Loan funds can be used for the purchase of land and buildings, machinery and equipment, furniture and fixtures, or leasehold improvements. Working capital loans are available for the purchase of inventory, the financing of receivables or other business operating needs.

LOAN AMOUNTS & TERMS

The minimum loan amount is \$30,000. The maximum loan amount is \$500,000. NCC expects that most loans will be in the range of \$75,000-\$250,000.

The economic useful life of the assets being financed will determine the life of the loan. The following represent the basic financing policy guidelines for the NCC Revolving Loan Fund:

- ◆ Working Capital = 1 year maximum
- ◆ Cars and trucks = 5 years
- ◆ Heavy Equipment = 10 years maximum
- ◆ Fixtures, furniture and small equipment = 5 years
- ◆ Real Estate, acquisition, construction and/or improvement = 10 year balloon payment with an amortization schedule of 25 years maximum
- ◆ A mixed bag of collateral shall have a blended term, not greater than 10 years

LOAN APPLICATION & REVIEW

The loan review process consists of the completion of a loan application by the business followed by a review by NCC staff. NCC staff makes a recommendation to the NCC Loan Committee. The board makes the final determination on loan requests.

SECURITY

Security for loans can consist of both business and personal assets and depends on the overall strength of the project that is being financed. Since most loans will require a substantial commitment from a private lender, in those instances NCC will assume a subordinate security interest to that private lender. Personal guarantees are generally required from all individuals who own 20% or more of the business requesting a loan. Outside guarantors may also be required, if necessary.

