

## What is the Revolving Loan Fund?

A Revolving Loan Fund (RLF) is a locally controlled source of capital used to finance start-up and expanding businesses. This program enables the Central Alabama Regional Planning and Development Commission (CARPDC), in collaboration with a private lender, to financially assist small and medium sized businesses in Autauga, Elmore and Montgomery Counties. The RLF is designed to make loans to businesses whose start-up and expansion will result in the creation or retention of permanent jobs and the enhancement of private sector investment.

The RLF does not replace private lender financing. The program simply fills the gap between what a lending institution can lend and what the business can provide. Through the use of RLF dollars, attractive financing packages can be offered to prospective borrowers that can lower their debt service through lower interest rates and longer terms.



## Who is eligible for RLF Loans?

The RLF is set up to provide loans to new and existing businesses that are involved in manufacturing, distribution, service and similar endeavors. Commercial projects are eligible for assistance, but must show that significant economic development will be a result. Overall, eligible businesses are those who produce job growth, add economic value or enhance regional development potential.

## How much money can I borrow?

Revolving loans range from a minimum of \$10,000 to a maximum of \$150,000. The RLF must be leveraged by a private lender and equity injection by the borrower.

## What can I do with the Loan?

- Purchase land, buildings and fixed machinery and/or equipment
- Site prep and construction or renovation of buildings
- Clear, demolish or remove structures
- Provide working capital
- Pay for assessments for sewer, water, street and other public utilities
- Provide pollution or other environmental controls

## RLF Key Points

- Business must be located in Autauga, Elmore or Montgomery Counties
- Loans from \$10,000 to \$150,000
- Great interest rates often below current market rates
- Equity injections set on an individual basis, but industries must provide at least 10% of the total project cost which could range to 20%
- RLF participation cannot exceed 1/3 of the total project cost
- The term of the loan shall not exceed ten (10) years, with a five (5) year max on working capital
- Permanent jobs must be created or retained
- Both principal(s) and business must be credit worthy and show debt service ability
- Business, corporate, personal guarantees and/or other security agreements are required
- Collateralization shall be no less than 125% of the loan amount
- Borrower is responsible for payment of all legal costs, closing costs, including attorney's fees, probate recording fees and Uniform Commercial Code filing fees
- Annual loan servicing fee of 1/2% based on the declining loan balance

## What is the Application Process?

The first step is to complete the RLF application, which can be found at [www.carpdc.com/rlf](http://www.carpdc.com/rlf). Staff will review the application for completeness and verify that the proposed project meets the program guidelines. If the project is found to have merit, the RLF Loan Review Committee (LRC) will review the application. The LRC will negotiate the terms of the loan and the application will then be sent to the full CARPDC board for approval. If the application is approved, a closing will be scheduled.

The RLF LRC is a nine member committee who represent all three counties of CARDPC's service area. Each county appoints three members which serve staggered one, two and three year terms. LRC membership includes elected officials, financial institution officers and other businesspersons. The LRC, following state and federal regulations, is able to process all loan applications with minimal red tape. Local people making local decisions mean a quicker turnaround for all loan requests.



**Your Banker, Our RLF -  
Your Entrepreneurial Partnership**

## Mission of the RLF

- Create Private Sector Jobs
- Diversify and Strengthen the Region's Economic Base
- Stimulate Private Investment



## Loan Contact Information

### Central Alabama Regional Planning and Development Commission

Call: (334) 262-4300  
RLF Program

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## CENTRAL ALABAMA REGIONAL PLANNING AND DEVELOPMENT COMMISSION

### REVOLVING LOAN FUND PROGRAM



### BUSINESS LOANS FOR AUTAUGA, ELMORE AND MONTGOMERY COUNTIES

[www.carpdc.com](http://www.carpdc.com)



