



Revolving Loan Fund Frequently Asked Questions

Who is eligible to borrow?

- Small businesses with 100 or fewer employees
- Non-profit organizations (except those affiliated with religious organizations)
- Loans to consumers are prohibited
- Loans to churches or religious organizations are prohibited

How long should my business have been in operation?

There is no minimum although loans to start-up or younger (less than 2 years in operation) companies will be reviewed more carefully and carry a higher interest rate.

How much may I borrow?

Loans generally range from \$25,000 to \$200,000

For how long may I borrow?

The term for all loans is 5 years but the loan payment schedule is based on the type of loan and the collateral:

| | |
|------------------------|----------------|
| Commercial real estate | Up to 20 years |
| Machinery / equipment | Up to 10 years |
| Working capital | Up to 5 years |

What is the interest rate?

Rates will be determined at the time of approval based on the type of loan the borrower's history and the level of risk. Loan rates will not be less than 5% or more than 10%.

What are the fees?

There is a non-refundable application fee of \$350.00 paid when the loan application is submitted and a processing fee equal to 1.5% of the loan amount (minimum: \$1,500; maximum \$2,500) paid at the closing of the loan.

Do I have to have collateral?

Yes, there is a requirement that all RLF loans have to be secured. Collateral may consist of business and/or personal assets.

Do I have to have cash down payment?

Yes, all borrowers must have a cash down payment of at least 10% of the project amount (loan amount plus closing costs). Many loans may have a higher down payment requirement.

Is there a prepayment penalty?

No.

May I borrow the money directly from TARCOG or do I have to go to a bank first?

Many RLF loans are done in conjunction with a local bank or credit union but TARCOG will consider loans directly to a borrower.