

## **USDA Fund Guidelines**

- Applicants are to be small and emerging business.  
(Under 50 employees, under \$1 million gross profit, 3 year projection for new businesses)
- Interest rate 2% below prime, capped @ 5%
- 10 year term
- Loan recipients must be US Citizens
- Must sign assurance agreement
- Must have a business plan
- Applicants need to keep track of Racial/Ethnicity and Gender of all employees

Loans are made for a maximum of 50% of the required loan with the remaining 50% or more being lent by a participating conventional lender or the borrower's cash reserves.

RLF will assume the policies and procedures for the Development Corporation. Priority projects include those that are for:

- Permanent Improvements
- Project unable to secure conventional financing or those requiring assistance to make the venture cash flow
- Projects that have significant security or equity.

### **Eligible Projects = Job Creation**

- New business
- Expanding business
- Business moving to downtown

### **Ineligible Projects**

- Refinancing existing debt
- Speculative activities
- Financing of current operations

### **USES**

- Purchase of real estate for business establishment
- Non historical exterior renovations
- Rehabilitation or modification of buildings for business establishment or expansion for owner-occupants
- Leasehold improvements for business establishments or expansion
- Purchase of equipment and fixtures
- Purchase of inventory
- Working capital necessary to support expanding or new operations
- Other uses as deemed appropriate by the Development Corporation for business establishment, expansion or retention.

