

The Alabama-Tombigbee Regional Commission and its member counties was designated as an Economic Development District by the U.S. Department of Commerce Economic Development Administration in 1974. The Agency receives assistance annually for economic development planning and technical assistance. This program is funded through EDA and USDA Rural Development.

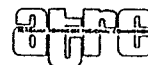
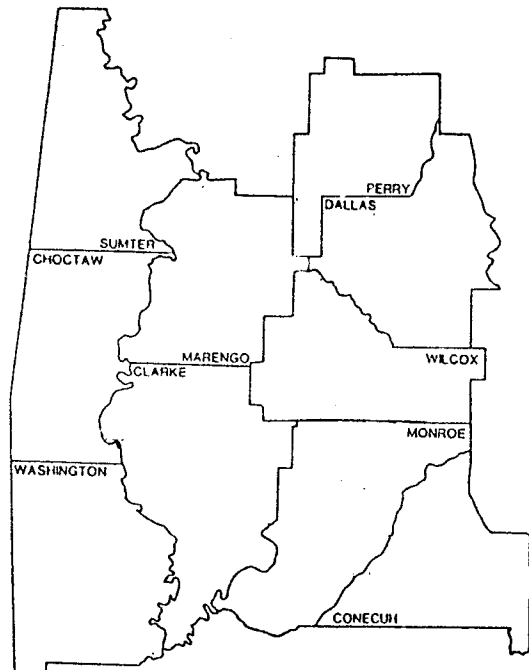
Services provided by the ATRC Economic Development programs are:

- *Business Development Information on business assistance programs.*
- *Business/Prospect data service.*
- *Community Development Block Grant (CDBG) Infrastructure Grant and Loan packaging.*
- *Economic Development Administration planning, technical assistance, grant and loan services.*
- *Assistance with State Site Improvement Grants and other state business development programs.*
- *Small Business Administration referrals.*

The Alabama-Tombigbee Regional Commission is an equal opportunity employer, prohibiting discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status.

For more information on the RLF Program and other Commission services, please contact:

**ALABAMA-TOMBIGBEE
REGIONAL COMMISSION
107 Broad Street
Camden, Alabama 36726
(334) 682-4234
(334) 682-4205 FAX**



**REVOLVING
LOAN
FUND**

A Gap Financing Program

Alabama-Tombigbee Regional Commission
107 Broad Street
Camden, Alabama 36726

What is an RLF?

The Alabama-Tombigbee Revolving Loan Fund (RLF) is a locally controlled source of capital used to finance start-up and expanding businesses whose projects will create permanent jobs and leverage private sector investments. As borrowers repay their RLF loans, the principal and interest payments are returned to the fund for lending to other businesses to create more jobs and investment opportunities.

What Businesses are Eligible?

The Businesses targeted for RLF financing:

1. Small manufacturing companies.
2. Manufacturing related services.
3. Developing services that have a uniqueness or technology that will add value to the District's economy.
4. Other businesses that may help a community improve its development potential.

How can funds be used?

Proceeds from RLF loans can be used to:

- Purchase land and buildings.
- Construct new building or renovate /modify existing buildings.
- Purchase machinery & equipment.
- Provide for permanent working capital.

What are the Advantages?

There are many advantages to utilizing the Alabama-Tombigbee RLF for both borrowers and participating banks.

Attractive Interest Rates

Interest on RLF loans are generally below prime loans and determined by project needs. By combining RLF and bank financing, the borrower can realize an effective rate well below market rates.

Bank Participation

The RLF was not established to compete with the banking community or to be a lender of last resort. Instead it was established to provide gap financing or "fill the gap" between what the bank can reasonably lend on a project and what the business can provide in equity. Also, by utilizing RLF dollars, banks can offer attractive financing packages that lower debt service. In short, the Alabama-Tombigbee RLF should compliment the lending activities of commercial banks.

Local Control

The RLF program is a local economic development initiative. All decisions are made locally by the Alabama-Tombigbee Loan Administration Board which is representative of the regional community. This local emphasis means faster responses to loan requests and a minimum of "red tape" for you and your customer. However, State and Federal regulations do apply.

RLF Guidelines and Requirements

- Business start-up or expansion must result in the creation of permanent jobs.
- RLF can finance up to 1/3 of the total project cost.
- Business must provide at least 10% of the project cost in equity.
- Below prime interest rates are available
- Loans available from \$10,000 to \$150,000
- Loan terms available up to 7 to 12 years for fixed assets and up to 5 years for working capital.
- Principals and business must be credit-worthy and generate sufficient cash flow to repay the debt.
- Principals of the business must provide personal guarantees.
- Hazard and key man insurance naming Alabama-Tombigbee Regional Commission as loss payee may be required.
- Borrower is responsible for all legal costs associated with the transaction.
- Borrower must pay a one time non-refundable application fee.
- Businesses must be located in Choctaw, Clarke, Conecuh, Dallas, Marengo, Monroe, Perry, Sumter, Washington or Wilcox County.