NEPIRC
northeastern pennsylvania industrial resource center
www.nepirc.com   570-819-8966

EDA Revolving Loan Fund (RLF)*

NEPIRC's RLF Program, as a financial tool, fills gaps in local commercial lending/capital markets thereby encouraging business development activities. The Program leverages private sector participation by addressing the problem of credit availability.

Eligible borrowers must:
- Be a manufacturer producing tangible products within the 2000-3900 SIC code range
- Be located in Carbon, Lackawanna, Luzerne, Schuylkill, Sullivan, Tioga, or Wyoming counties
- Either create or retain manufacturing jobs.

Credit is not otherwise available under terms and conditions that would permit accomplishment of the borrower's project.

Uses of Funds

- Purchase of machinery, equipment, and other fixed assets (new or retrofitted equipment is eligible).

- Computer hardware and software.

- Working capital used for costs related to the enhancement of technology/ process improvement and modernization improvement projects.

- Business acquisition subject to sufficient justification, i.e. imminent closure or to acquire a business to facilitate a significant expansion or increase in investment with a significant increase in jobs.

- Other restrictions apply.

Parameters

- Maximum loan amount of $200,000 ($50,000 for working capital). Maximum for startup companies is $50,000 ($25,000 for working capital).

- Term 3 to 7 years or the life of the asset(s), whichever is less. Working capital loans have a repayment period of 3 years.

- Interest rate will be the lesser of 4 points below the Prime Rate quoted by the Wall Street Journal or 2.5%.

- RLF loans must leverage private investment of at least two dollars for ever one dollar of such RLF funds. Owner equity of at least 10% is required.

- RLF is willing to take a subordinate lien position however personal guarantees of owner(s) may be required.

Costs - $200 loan application fee. Borrower to pay a 1% commitment fee at the time of loan acceptance.

For more information e-mail us at info@nepirc.com

The RLF program is partially funded by the Federal Economic Development Administration (EDA). As such, the program is administered per the EDA rules and guidelines.