

MISSION OF THE RLF

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

**Loan Contact Information
NACOLG**

Keith Jones, Director
103 Student Drive
Muscle Shoals, AL 35661
Phone: (256) 389-0500
kjones@nacolg.org

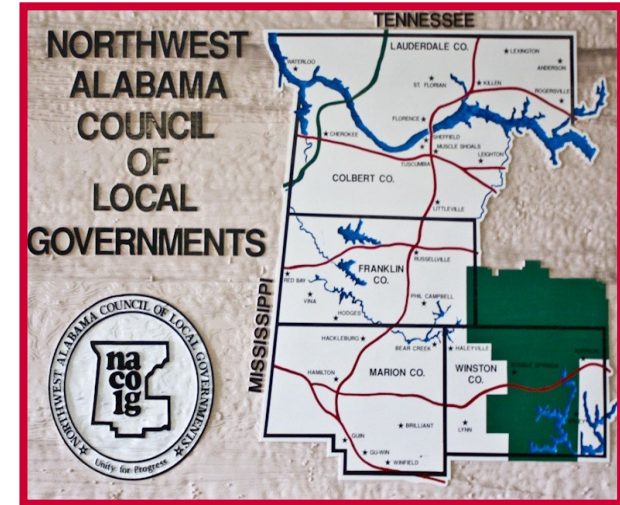
Marilyn Smith msmith@nacolg.org
(256) 389-0550
Corine Bostick cbostick@nacolg.org
(256) 389-0559



www.nacolq.org

NORTHWEST ALABAMA COUNCIL
OF LOCAL GOVERNMENTS
P.O. Box 2603
Muscle Shoals, Alabama 35662

**REVOLVING
LOAN
FUND**



NACOLG

**NORTHWEST ALABAMA
COUNCIL OF LOCAL
GOVERNMENTS**

**BUSINESS LOANS FOR
COLBERT, FRANKLIN,
LAUDERDALE, MARION AND
WINSTON COUNTIES**

www.nacolq.org

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 Northwest Alabama Council of Local Governments (NACOLG), in collaboration with a private lender, to financially assist small and medium sized businesses in Colbert, Franklin, Lauderdale, Marion and Winston 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?

State funded revolving loan funds range from a minimum of \$10,000 to a maximum of \$250,000. Federal funded revolving loan fund range from \$10,000 to \$125,000. The RLF must be leveraged by a private lender and equity injection by the borrower.



**Singleton's BBQ
Florence, Alabama**



**Nelson Services
Florence, Alabama**



**Sbarro
Florence, Alabama**



**Sibley Oil
Phil Campbell, Alabama**

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 permanent working capital
- Purchase machinery and equipment

RLF Key Points

- Business must be located in Colbert, Franklin, Lauderdale, Marion, or Winston Counties
- Loans from \$10,000 to \$250,000
- 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 principle(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