



# CITY OF NASHUA

## Revolving Loan Fund

<b>Purpose of the Fund</b>	The Revolving Loan Fund (RLF) is intended for permanent working capital and fixed asset financing for start-up and existing businesses in the Nashua area.
<b>Eligibility Requirements</b>	To be eligible the business must be able to: <ul style="list-style-type: none"> <li>• Meet the SBA definition of a “small business”</li> <li>• Be able to produce no less than one new job for each \$20,000 of RLF investment.</li> <li>• Demonstrate the capacity to repay debt and produce jobs</li> </ul>
<b>Allowed Uses of Funds</b>	<ul style="list-style-type: none"> <li>• Owner occupied commercial real estate acquisition.</li> <li>• Acquisition of Machinery and Equipment</li> <li>• Permanent Working Capital</li> </ul>
<b>Prohibited Uses of Funds</b>	<ul style="list-style-type: none"> <li>• Loan Guarantees</li> <li>• Acquisition of Non-Owner Occupied Commercial R/E</li> <li>• Payment of back taxes</li> <li>• Refinance of existing debt, except to term out LOC</li> </ul>
<b>RLF Participation and Funding Limits</b>	RLF funds are not intended to substitute for conventional private debt and equity. Therefore, in general, RLF funds should not exceed more than 50% of the eligible project costs, but in certain instances, RLF funds may be the sole source of funding. The maximum loan is \$100,000 (\$50,000 for start-ups and CDBG).
<b>Interest Rate</b>	Existing Businesses: Prime to Prime +1% Start-Up Businesses: Prime + 1 - 2% CDBG Funds: Prime + 1 - 2%
<b>Length of Term</b>	<ul style="list-style-type: none"> <li>• Commercial Real Estate –10 years (existing only)</li> <li>• Machinery and Equipment – 7 years</li> <li>• Permanent Working Capital – 5 years</li> </ul>
<b>Fees</b>	<ul style="list-style-type: none"> <li>• Application fee of \$250 or one-half percent of loan amount, which ever is greater</li> <li>• Closing costs are the responsibility of the borrower</li> </ul>
<b>Security and Equity Requirements</b>	<ul style="list-style-type: none"> <li>• 10% equity participation will be required for all borrowers</li> <li>• Personal guarantees of all officers and owners of 20% or more interest will be required</li> <li>• The RLF will seek the highest security interest possible on all available assets, including position on guarantor's personal residence.</li> </ul>

**For further Information please contact (603) 589-3073**