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www.GrowInCaribou.com

Loan Portfolio Overview

The Caribou Economic Growth Council (CEGC) has three loan funds to help local businesses start-up or expand. It is the purpose of this program to provide financing for business activity and community development to help create and/or retain jobs within the economic development district serviced by the CEGC.

While traditionally a gap lender, the CEGC typically is willing to take more risk on loans than traditional lending institution. This may benefit some startup companies.

For most loan funds the businesses must be located within the City of Caribou. However, the RD-IRP Loan funds can be used to benefit businesses in Caribou, Woodland, Washburn, Wade, Perham, Connor, Stockholm, or New Sweden.

Interest rates for loans from the CEGC are set at half percent above prime.

Collateral will depend on the loan requested. Generally, any assets purchased with the loan proceeds will be taken as collateral.

On the following pages are more information on the various loan funds that the CEGC has. If you have questions, please do not hesitate to contact us.

If you are interested in applying for a loan with the CEGC call them at 493-5962 to help determine eligibility. If determined eligible an employee of the Business Finance Department at the Northern Maine Development Commission will help you with the application and any additional information about your business and the ownership and management of the business needed to process your loan.

We look forward to helping you and your business Grow In Caribou!



**Caribou
Economic
Growth
Council**

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CEGC RESERVE FUND

PROGRAM OUTLINE

PURPOSE: The purpose of this loan fund is to help stimulate economic development by providing gap financing for the start up of new businesses and expansion or retention of existing businesses located within the corporate boundaries of the City of Caribou, creating employment opportunities and/or saving existing jobs.

CRITERIA AND CONDITIONS:

To be eligible for assistance under this program the following criteria must be met:

1. Eligible businesses must be located within the corporate boundaries of the City of Caribou; with emphasis for location into established business and industrial parks.
2. The CRF program will be used for new businesses or existing businesses' planning expansion based on the following criteria:
 - a. Probability of successfully creating new job opportunities
 - b. Contribution to the local tax base
 - c. Amount of private sector investment leveraged, including equity, retained earnings and debt.
3. The CRF loan must be used only to fill a financing gap.
4. The maximum amount of funds to be lent to any one borrower from this fund is \$50,000.
5. Applicant must provide assurance that the project can only proceed with the injection of CRF monies.
6. Applicant must provide demonstrated management ability and experience in the proposed venture with the ability to repay the proposed financing.

INTEREST RATE: The interest rate will be computed at half a percent above Prime. Set at closing and fixed for 5 years. This rate is subject to change according to economic and financial conditions. If you have any questions please call the Caribou Economic Growth Council.

FEES AND CHARGES: CEGC will charge a one-time origination fee equal to one (1%) per cent of the loan, due and payable at time of closing. The borrower will, also, pay legal fees and other out of pocket expenses incurred by CEGC in the closing of the loan.

LOAN LIMITS: CEGC has an aggregate loan limit of \$250,000.00 from all funds for any one borrower or affiliates.

COLLATERAL: All Loans will be collateralized. The business and owners should be prepared to dedicate all and any asset available to secure the loan requested. Subordinated (2nd and 3rd) positions are possible based on collateral values.

APPLICATION PROCESS:

First, call the Caribou Economic Growth Council at 207-493-5962, to determine if your business is or will be eligible. If determined eligible an employee of the Business Finance Department of the Northern Maine Development Commission will help you with the application and any additional information about your business and the ownership and management of the business needed to process your loan.

LOCATION: ONLY BUSINESSES LOCATED IN CARIBOU ARE ELIGIBLE