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REGIONAL ECONOMIC DEVELOPMENT REVOLVING LOAN FUND

PROGRAM OUTLINE

LOCATION: ONLY BUSINESSES LOCATED IN CARIBOU ARE ELIGIBLE

LOAN AMOUNT: Maximum loan \$350,000.00

REDRLF funds can finance up to:

50% of projects of \$50,000.00 or more.

EXAMPLE	(1)
Total Project	\$100,000.00
Amount from other sources	\$ 50,000.00
Maximum REDRLF	\$ 50,000.00

100% of total project cost, for projects less than \$50,000.

EXAMPLE	(2)
Total Project	\$ 40,000.00
Amount from other sources	\$ 0.00
Maximum REDRLF	\$ 40,000.00

ELIGIBLE REQUIREMENTS:

1. Must have 100 or fewer employees; or \$10,000,000.00 or less in annual sales
2. Unable to obtain financing from other public or private sources including personal resources of the owners of the business.
3. **Must commit all reasonably available resources to the project; must have commitment from other lenders; and demonstrate a reasonable likelihood that the loan can be repaid.**

4. Loans over \$150,000.00 must be submitted to FAME for approval.
5. Funds cannot be used for distribution or for the benefit of owner or related entity.
6. Applicants must be one of the following types:
 - A. Manufacturing technologies, such as value-added wood products, specialty fabricated metal and electronic products, precision manufacturing and use of composites or advanced materials.
 - B. Technologies, such as advanced information systems. Advanced telecommunications, energy and environmental products and services.
 - C. Value-added natural resource enterprises and biological natural resources technologies, such as aqua-culture, marine technology, agriculture, forestry products and biotechnology.
 - D. A business converting from defense dependencies.
 - E. A business significantly engaged in exports of goods or services to locations outside the state.
 - F. A business that dedicates significant resources to research and development activities; and
 - G. Other businesses with Fifteen (15) or fewer employees.
 - H. Quality Child Care Project
 - I. A business significantly engaged in commercial and/or mixed –use real estate and/or community facilities real estate development, where at least 51% of the square footage is used for commercial activities ; and
 - J. A business significantly engaged in serving tourists, such as in outdoor recreation, culture and heritage and hospitality.

PRIORITIES: for eligible borrowers and projects other than quality childcare projects

1. Funding will help add significant value to raw materials or inventory.
2. Long term net increase for permanent quality jobs that may **include ownership and self-employment** and meet local or regional needs.
3. Retention of jobs in jeopardy of being lost.

SPECIAL RULES FOR QUALITY CHILD CARE PROJECTS:

Not more than \$15,000 of loan program proceeds shall be used for lead abatement.

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.

Rates for Child Care under this program must bear a rate no greater than 5 %, not including administrative costs and fees. This may vary. Please ask your loan officer about these rates.

TERM: The term of the loan will be 5 years. Most loans will have a balloon payment.

FEES AND CHARGES: CEGC will charge a one-time origination fee equal to one (1%) per cent of the FAME 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 established 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 207-498-6156, 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.