

The Southeast Alabama Regional Planning & Development Commission and its member counties was designated as an Economic Development District by the U.S. Department of Commerce Economic Development Administration on April 11, 1970. The agency receives assistance annually for economic development planning and technical assistance.

Services provided by the Commission are:

1. Business prospect data service.
2. Economic Development loan and grant information for business assistance programs.
3. Community Development Block Grant (CDBG) Infrastructure grant and loan packaging.
4. Rural Development loan and grant services.
5. Economic Development Administration planning, technical assistance, grant and loan services.
6. Assistance with State Site Improvements grants and other state business development programs.
7. Small Business Administration referrals.
8. Economic Development marketing services.



REVOLVING LOAN FUND PARTNERS

Economic Development Administration
 State of Alabama
 Alabama Power Company
 Alabama Electric Cooperative, Inc.
 Regions Bank
 Wachovia- Dothan, Ozark, Coffee County
 Colonial Bank- Eufaula, Opp, Andalusia
 Citizen's Bank- Enterprise
 MidSouth Bank- Eufaula
 Compass Bank- Eufaula
 BankTrust- Eufaula
 Farmers Exchange Bank- Louisville
 Slocomb National Bank- Slocomb
 The Peoples Bank - Elba
 Ameris- Dothan
 AB&T National Bank- Dothan
 First National Bank - Hartford
 City Bank - Hartford
 Covington County Bank - Andalusia
 Covington Electric Cooperative, Inc. - Andalusia
 South Alabama Electric Cooperative, Inc. - Troy
 Pea River Electric Cooperative, Inc. - Ozark
 City of Andalusia
 City of Elba
 City of Enterprise
 City of Eufaula
 City of Opp
 City of Ozark
 Dothan Area Chamber of Commerce
 Verizon
 Southeast Alabama Regional Planning & Development
 Commission

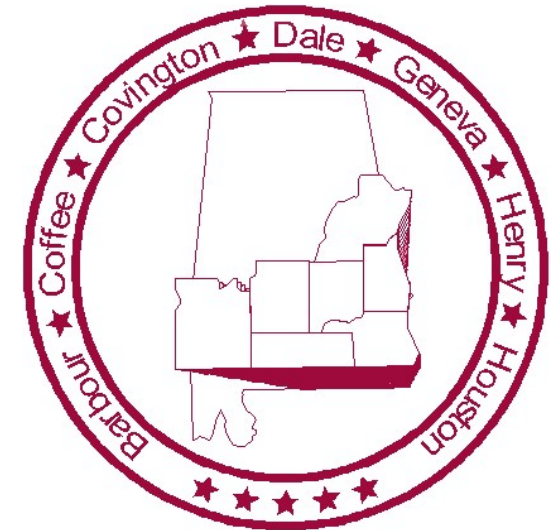
For more information on the RLF Program and other Commission Services, Please Contact:

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Southeast Alabama Regional Planning and Development Commission

Revolving Loan Fund



*A Capital Resource
 for Expanding and Start
 Up Businesses*

What is an RLF?

The Southeast Alabama Revolving Loan Fund (**RLF**) is a locally controlled source of capital used to finance start-up and expanding businesses whose projects will create permanent jobs and leverage private sector investment. As borrowers repay their **RLF** loans, the principal and interest payments are returned to the fund for lending to other businesses to create more jobs and investment opportunities.

What Businesses are eligible?

The businesses targeted for **RLF** financing are:

1. Small manufacturing companies.
2. Manufacturing related services.
3. Developing services that have a uniqueness or technology that will add value to the District's economy.
4. Other businesses that may help a community improve its development potential.

Generally, retail businesses are not eligible.

How can funds be used?

Proceeds from **RLF** loans can be used to:

- * Purchase land & buildings.
- * Construct new buildings or renovate/modify existing buildings.
- * Purchase machinery & equipment.
- * Provide for permanent working capital.

What are the Advantages?

There are many advantages to utilizing the Southeast Alabama **RLF** for both borrowers and participating banks.

Attractive Interest Rates

Interest rates on **RLF** loans are generally below prime and determined by project needs. By combining **RLF** and bank financing, the borrower can realize an effective rate well below market rates.

Bank Participation

The **RLF** was not established to compete with the banking community or to be a lender of last resort. Instead it was established to provide gap financing to “fill the gap” between what the bank can reasonably lend on a project and what the business can provide in equity. Also, by utilizing **RLF** dollars, banks can offer attractive financing packages that lower debt service. In short, the Southeast Alabama **RLF** should compliment the lending activities of commercial banks.

Local Control

The **RLF** program is a local economic development initiative. All decisions are made locally by Southeast Alabama's Loan Administration Board which is representative of the regional community. This local emphasis means faster responses to loan requests and a minimum of “red tape” for you and your customer. However, State and Federal Regulations do apply.

RLF Guidelines

- Business start-up or expansion must result in the creation/retention of permanent jobs.
- **RLF** can finance up to 1/3 of the total project cost.
- Businesses must provide 10% to 25% of the project cost in cash equity.
- Below prime interest rates are available.
- Loans available from \$10,000 to \$125,000.
- Loan terms available up to 15 years for fixed assets and up to five years for working capital.
- Principals and businesses must be creditworthy and generate sufficient cash flow to repay the debt.
- Principals of the business must furnish personal guarantees.
- Hazard and key man insurance naming Southeast Alabama Regional Planning & Development Commission as loss payee is required.
- Borrower is responsible for all legal and closing costs associated with the loan transaction.
- Borrowers must pay one time processing fee of 1 1/2% of the loan amount due at the time of closing. An annual servicing fee of 1/2 of 1% of the declining loan balance will be charged thereafter.
- Businesses must be located in Barbour, Coffee, Covington, Dale, Geneva, Henry or Houston County.