

## CITY OF ALMA REVOLVING LOAN FUND

April 5, 2010

THE CITY OF ALMA RLF IS ESTABLISHED PRIMARILY FOR THE CREATION AND RETENTION OF JOBS WITHIN THE CITY OF ALMA. THE CITY OF ALMA IS NOT A LOAN INSTITUTION AND DOES NOT COME UNDER BANKING REGULATORY ACTS.

### LOAN GUIDELINES

- A. Loan must be used for commercial or business operation.
- B. Applicant should have a minimum of 10% of funds as an equity injection.
- C. Loan request for fixed assets take priority over inventory and/or operating capital.
- D. Applicant shall hire 51% of its employees who are low to moderate income.
- E. Loan must be fully collateralized, personal guarantees, and/or have a qualified co-signer on the loan.
- F. RLF Loan will not be used to consolidate or payoff other loans or outstanding debts.
- G. Loans may be made for special projects to businesses in Central Business District as determined and approved by City Council. (These projects would be separate guidelines).
- H. Loans will only be made to businesses located within Alma/Bacon County or the Tri-County Industrial Development Authority area (Appling and Jeff Davis Counties).

### LOAN TERMS

- 1. The maximum loan amount is half (1/2) of the available funds or \$25,000, whichever is less, at the time the application is submitted.
- 2. The City's RLF is loaned at prime rate less one point as determined by local banking institutions with a floor of 4%.
- 3. Payments of principal and interest are made monthly.
- 4. A term of twelve months minimum for any loan up to a maximum of eighty-four months can be made; unless otherwise determined necessary by the RLF Review Committee for industry.
- 5. Maximum terms/working capital: 60 months
  - No equipment or vehicle: 60 months
  - Real Estate: 240 months
- 6. Each approved loan will be required to pay an administrative fee of \$150.00 to the City of Alma at closing.
- 7. Recording, closing, and legal fees are paid by the borrower.
- 8. Loans may be retired early without penalty.

## **APPLICATION**

An application can be obtained at the City's Administrative Office (502 West 12<sup>th</sup> Street, Suite 104) or online at [www.cityofalmaga.gov](http://www.cityofalmaga.gov). Applications must be filled out in their entirety before be considered by the RLF Committee.

## **CREDIT BUREAU REPORT APPROVAL**

Each applicant must sign a credit bureau report approval form and submit it when the application is submitted for review.

## **LOAN PROCESS**

After an application has been submitted to the Office of the City Manager he will call a meeting of the City of Alma Revolving Loan Fund Review Committee. The Committee is comprised of Bankers, Accountants, and Business individuals within the community. This committee has the expertise to recommend the approval or deny any loan request based upon an individuals ability to repay the loan amount and meeting loan requirements. If the loan is recommended for approval by the RLF Committee a letter is then presented from the Chairperson to City Council at the next regular scheduled Council meeting. The Council takes final action. A letter is then prepared by the City Manager notifying the applicant of the decision and establishing a date for execution of all the loan documents and/or other information, which will be required for the loan closing.