



CITY OF NASHUA

Revolving Loan Fund

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| Purpose of the Fund | 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. |
| Eligibility Requirements | To be eligible the business must be able to: <ul style="list-style-type: none"> • Meet the SBA definition of a “small business” • Be able to produce no less than one new job for each \$20,000 of RLF investment. • Demonstrate the capacity to repay debt and produce jobs |
| Allowed Uses of Funds | <ul style="list-style-type: none"> • Owner occupied commercial real estate acquisition. • Acquisition of Machinery and Equipment • Permanent Working Capital |
| Prohibited Uses of Funds | <ul style="list-style-type: none"> • Loan Guarantees • Acquisition of Non-Owner Occupied Commercial R/E • Payment of back taxes • Refinance of existing debt, except to term out LOC |
| RLF Participation and Funding Limits | 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 CBDG). |
| Interest Rate | Existing Businesses: Prime to Prime +1% Start-Up Businesses: Prime + 1 - 2% CBDG Funds: Prime + 1 - 2% |
| Length of Term | <ul style="list-style-type: none"> • Commercial Real Estate –10 years (existing only) • Machinery and Equipment – 7 years • Permanent Working Capital – 5 years |
| Fees | <ul style="list-style-type: none"> • Application fee of \$250 or one-half percent of loan amount, which ever is greater • Closing costs are the responsibility of the borrower |
| Security and Equity Requirements | <ul style="list-style-type: none"> • 10% equity participation will be required for all borrowers • Personal guarantees of all officers and owners of 20% or more interest will be required • The RLF will seek the highest security interest possible on all available assets, including position on guarantor's personal residence. |

For further Information please contact (603) 589-3260