

## ARC Eligibility Requirements

### Eligibility Requirements:

- Loans may only be made to private, for-profit businesses, including both owner-operators and real estate developers. Lending institutions are not eligible for RLF loans.
- The loan applicant must demonstrate ability to repay the loan.
- The loan recipient must create or save at least one job for every \$20,000 of RLF loan funds received.
- Business owners must arrange financing for at least 50% of the cost of their proposed project. Past investments usually are not counted toward this 50% requirement. (Note: other lending institutions may provide some or most of the money needed to meet the 50% requirement.)
- A minimum 5% equity injection is required.

### Eligible Uses:

- Working capital.
- New construction and rehabilitation.
- Building acquisition.
- Equipment purchase & installation.
- Facade improvements.
- Land acquisition.

### Ineligible Uses:

- Speculative projects.
- Projects appropriate for 100% private sector financing.
- Assistance to businesses relocating jobs from one labor market area to another.

### Loan Amounts:

The maximum loan amount is \$200,000 per qualifying business, or 50% of total project cost, whichever is less. There is no maximum project cost and no minimum loan amount.

### Loan Terms:

**Interest Rate:** usually below-market rates, depending on project requirements.

**Repayment Period:** up to 15 years, depending on the useful life of the assets financed with the loan.

**Collateral:** usually a second mortgage on real estate.

### How to Apply

Businesses considering a project that may be suitable for financing through the Appalachian Business Development Revolving Loan Fund are encouraged to:

- Meet with DCA to discuss loan requirements.

- Complete the application form and all certifications.
- Obtain the approval of your LDA, which must act as lender of RLF funds. DCA can provide assistance in the process of establishing an LDA, as well.
- Applications will normally be reviewed by DCA's loan committee within 30 days after submission of a completed application.

### ELIGIBLE COUNTIES

|           |           |           |
|-----------|-----------|-----------|
| Banks     | Forsyth   | Murray    |
| Barrow    | Franklin  | Paulding  |
| Bartow    | Gilmer    | Pickens   |
| Carroll   | Gordon    | Polk      |
| Catoosa   | Gwinnett  | Rabun     |
| Chattooga | Habersham | Stephens  |
| Cherokee  | Hall      | Towns     |
| Dade      | Haralson  | Union     |
| Dawson    | Hart      | Walker    |
| Douglas   | Heard     | White     |
| Elbert    | Jackson   | Whitfield |
| Fannin    | Lumpkin   |           |
| Floyd     | Madison   |           |