



## **Southeast Alabama Regional Planning and Development Commission Small Business Loan Programs**

### **FACT SHEET**

#### **General Information**

The Southeast Alabama Regional Planning and Development Commission small business loan programs are locally controlled sources of capital designed to provide economic benefits to southeast Alabama by increasing the number and level of business operations and subsequently increasing incomes and earning capacities. The loan programs offer financial assistance to new and expanding businesses whose projects will create permanent jobs and leverage private sector investments. Our local emphasis means prompt response time and a minimum of “red tape” for borrowers and participating lenders.

The Southeast Alabama Regional Planning and Development Commission eligible loan area includes Barbour, Coffee, Covington, Dale, Geneva, Henry and Houston counties.

#### **Eligibility**

To be eligible for assistance under one or more loan programs, a business must:

1. Be located in the eligible project area.
2. Create and/or retain employment opportunities.
3. Have financial commitments for other components of the project to be financed.
4. Be willing to comply with all regulations, guidelines, policies, and requirements, as they relate to the loan programs.
5. Be willing to provide a minimum of 10% of the project cost in equity.
6. Demonstrate credit worthiness and the ability to repay the loan.

#### **Financing**

- **Loan Size:** \$4,000 to \$250,000
- **Loan Terms:** Normally, loans will be direct loans fully amortized over no more than 15 years for real estate, eight years for machinery/equipment, and five years for working capital.
- **Interest Rates:** Vary based on loan program and type of project. Not below 4%.

#### **Eligible Uses of Loan Funds**

- Purchase land and buildings
- Construct new buildings or renovate/modify existing buildings
- Acquisition of fixed machinery and equipment
- Working Capital

#### **Contact Information**

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Brochures and application can be found on [www.searpdc.org](http://www.searpdc.org)



## Southeast Alabama Regional Planning and Development Commission Small Business Loan Programs

<b>Program</b>	<b>Intermediary Relending Program (IRP)</b>	<b>Revolving Loan Fund (RLF)</b>	<b>Dothan Houston County and USDA Microloans</b>
<b>Eligible Use of Funds</b>	Purchase of Land/Building, Renovation of Existing Building, Machinery and Equipment, Working Capital	Purchase of Land/Building, Renovation of Existing Building, Machinery and Equipment, Working Capital	Machinery and Equipment, Working Capital
<b>Eligible Borrower</b>	New or Expanding Business located in Barbour, Coffee, Covington, Dale, Geneva, Henry or Houston County (with the exception of inside of the city limits of Dothan)	New or Expanding Business located in Barbour, Coffee, Covington, Dale, Geneva, Henry or Houston County	New or Expanding Business located in Barbour, Coffee, Covington, Dale, Geneva, Henry or Houston County
<b>Required Economic Development Benefit</b>	Job Creation and/or Retention	Job Creation and/or Retention	Job Creation and/or Retention
<b>Minimum/Maximum Loan Amount</b>	\$25,000 to \$250,000	\$10,000 to \$125,000	\$4,000 to \$20,000
<b>Minimum Required Equity</b>	10%	10%	10%
<b>Typical Financing Structure</b>	<b>Can finance up to 75% of total project</b> <u>Example:</u> SEARPDC: 75% Lender: 15% Borrower: 10% TOTAL: 100%	<b>Can finance up to 33% of total project</b> <u>Example:</u> Lender: 57% SEARP&DC: 33% Borrower: 10% TOTAL: 100%	<b>Can finance up to 90% of total project</b> <u>Example:</u> SEARP&DC: 90% Borrower: 10% TOTAL: 100%
<b>Maximum Loan Term</b>			
<b>Real Estate Machinery &amp; Equipment Working Capital</b>	15 years 8 years depending on project  5 years	15 years 8 years depending on project  5 years	5 years  5 years
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>• Below Prime Rate but not below 4%</li> <li>• Fixed Rate</li> </ul>	<ul style="list-style-type: none"> <li>• Below Prime Rate but not below 4%</li> <li>• Fixed Rate</li> </ul>	<ul style="list-style-type: none"> <li>• Prime Rate plus 2% to 4%</li> <li>• Fixed Rate</li> </ul>
<b>Loan Fees</b>	<ul style="list-style-type: none"> <li>• 1.5% Loan Processing</li> <li>• Attorney Loan Closing Fees</li> </ul>	<ul style="list-style-type: none"> <li>• 1.5% Loan Processing</li> <li>• Attorney Loan Closing Fees</li> <li>• 1.5% Annual Servicing Fee</li> </ul>	<ul style="list-style-type: none"> <li>• 1.5% Loan Processing</li> <li>• Attorney Loan Closing Fees</li> </ul>
<b>Collateral</b>	<ul style="list-style-type: none"> <li>• First Mortgage on Real Estate</li> <li>• Personal guarantee required</li> </ul>	<ul style="list-style-type: none"> <li>• Real Estate, Machinery, Equipment</li> <li>• Personal guarantee required</li> </ul>	<ul style="list-style-type: none"> <li>• Machinery, Equipment</li> <li>• Personal guarantee required</li> </ul>