

Economic Development Services Provided by WARC:

- ❑ Information on business assistance programs
- ❑ Grant and loan preparation and administration including funds from the Alabama Department of Economic and Community Affairs, Appalachian Regional Commission, Delta Regional Authority, Economic Development Administration, USDA Rural Development and others
- ❑ Site improvement grant applications
- ❑ Industrial access road fund applications
- ❑ Water and sewer infrastructure grant and loan applications
- ❑ Business/prospect data service
- ❑ Mapping and socioeconomic data
- ❑ Zoning regulations

Source of Funds for RLF:

State of Alabama
West Alabama Local Governments

The **West Alabama Regional Commission** is one of the 12 regional councils in the State of Alabama. **WARC** serves local governments and citizens by coordinating regionwide projects and services, promoting cooperation among the local governments, and carrying out state and federal programs on a regional basis.

The **WARC** service area includes Bibb, Fayette, Greene, Hale, Lamar, Pickens and Tuscaloosa counties and their municipalities.

For more information on the RLF and other services provided by your Regional Commission, contact:

West Alabama Regional Commission

P.O. Box 509
Northport, AL 35476-0509
205/333-2990
Fax 205/333-2713
email: warc@westal.org
web page: www.warc.info

WEST ALABAMA REGIONAL COMMISSION
WEST ALABAMA REGIONAL COMMISSION

REVOLVING
REFLECTING
LOAN FUND
FOAM FOND



Revolving Loan Fund (RLF)

The West Alabama Regional Commission's RLF is a locally controlled loan program used to assist small local businesses and industries in their start-up and expansion activities. The goal of the program is to create new, permanent jobs for citizens of West Alabama while leveraging private sector investments. The RLF provides gap financing that is not available from commercial lenders. As the loans are repaid, the principal and interest are returned to the fund for lending to other businesses to create still more jobs and investment opportunities.

Who is Eligible?

Businesses and industries located in Bibb, Fayette, Greene, Hale, Lamar, Pickens and Tuscaloosa counties are eligible. Targeted businesses are:

1. Small manufacturing companies
2. Retail businesses
3. Service businesses

What can funds be used for?

RLF funds can be used to:

1. Purchase land and buildings
2. Construct buildings
3. Renovate buildings
4. Purchase equipment
5. Provide working capital

Commercial Lender Participation

The RLF was not established to compete with the private lending community or to be a lender of last resort. The fund was set up to provide gap financing between a borrower's equity and a loan from a commercial lender.

Interest Rates

Rates on WARC's loan fund will generally be below the prime rate as quoted in the most recent copy of the Tuscaloosa News at the time of loan closing. By combining WARC and bank financing, the borrower can usually have an effective rate below the market rate.

Local Controls

WARC's RLF is controlled by a local Loan Review Committee. The committee is made up of representatives in all seven counties in the West Alabama Region. All funding decisions are made by the committee. This provides for a faster response time to loan requests. Normally, loans will be processed within one month of the submission of a completed application.

Committee Meetings

The Loan Review Committee will meet as needed to consider loan applications.

General RLF Guidelines

- Businesses must be located in Bibb, Fayette, Greene, Hale, Lamar, Pickens, or Tuscaloosa counties. Projects relocating from within the region are prohibited.
- Borrower must create (or retain) jobs: Goal of one job per each \$10,000 borrowed.
- The RLF can fund up to 35% of the total project.
- Businesses must provide at least 10% of the project cost.
- Loans available from \$10,000 to \$250,000.
- Fixed Interest rate.
- Flexible terms: fixed assets up to 10 years, working capital up to five years. No penalty for early repayment.
- Principals and businesses must be credit-worthy and generate sufficient cash flow to repay the debt.
- Principals of the business must provide Personal guarantees.
- Borrower is responsible for customary closing costs and all legal fees as required.
- Borrower must pay a one-time \$300 Non-refundable application fee.