

PROGRAM: North Central New Mexico Economic Development Revolving Loan Fund (RLF)

AGENCY: North Central New Mexico Economic Development District (NCNMEDD)

DESCRIPTION: The NCNMEDD through its RLF program seeks to assist small businesses within a defined area with their financing needs. The intent of the program is to create and/or save jobs in economically disadvantaged areas, and thereby increase the local tax base through expanded business ownership opportunities.

ELIGIBLE USE:

- Loan funds may be used for acquisition of land, building construction, expansion and renovation, purchase of equipment, and limited working capital.
- Priority projects are generally considered for funding.
- Eligible counties: Colfax, Los Alamos, Mora, Rio Arriba, San Miguel, Santa Fe, Taos and Sandoval.

PROGRAM/LOAN STRUCTURE:

- Maximum Program Benefits: This program provides loans up to \$100,000. There is no minimum, though loans of at least \$10,000 are preferred.
- Equity: A minimum 10%
- Maturities: The term varies based on the items being financed, generally five to seven years on building and equipment, and shorter periods for working capital.
- Rates: Loans are fixed at or below the prevailing prime rate, generally between 7%-9%.
- Fees: An origination fee of 1% of the loan amount will be charged, with a minimum of \$250. If the loan is not approved, the fee will be refunded.

QUALIFICATION CRITERIA/COMMENTS:

- An applicant is eligible only when credit is not otherwise available on terms and conditions which would permit completion and/or successful operation of the project.
- The loan may not exceed 50% of total project cost. It is desired to match every \$1.00 of RLF funds with \$3.00 from other sources whenever possible.
- The NCNMEDD will require endorsements, collateral, insurance on key people and such other means of protecting its investment.
- Application forms are available at the NCNMEDD. A pre-application conference is recommended.
- Processing time is approximately three weeks.
- With the application, the borrower must include a personal financial statement, a list of collateral offered, tax returns for the previous 3 years, cash flow projections for 2 years, balance sheets, income statements, lists of accounts receivable and payable, an appraisal, articles of incorporation, board resolutions, a purchase agreement, and a short historical narrative of the business.

The company must comply with various laws and executive orders detailed in the application.

<http://www.ncnmedd.com/pdf/rlfappl2.pdf>

Visit the website at <http://www.ncnmedd.com/rlf.htm> or email rlf@nm.net .