

PROGRAM: Tri-County Regional Revolving Loan Fund

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

DESCRIPTION: The tri-county regional revolving loan fund is an incentive implemented to assist counties impacted by program changes experienced by Los Alamos National Laboratory (LANL).

ELIGIBLE USE:

- The types of organizations and projects that may be financed include:
 - Locally-owned enterprises in which a major portion of revenue accrues to the business and employment opportunities are expanded;
 - Newly established businesses with a financial condition unsuitable of accessing traditional financing sources;
 - Small manufacturing, technology-based or service businesses representing a realistic and demonstrated potential for economic growth;
 - Enterprises that export products nationally or internationally, or further process raw materials indigenous to northern New Mexico;
 - Projects that diversify the economy or substantially enhance the regional tax base; and
 - Projects not requiring loan guarantees available from other sources.
- Eligible uses of funds include:
 - Acquisition of land and buildings;
 - Building construction or modification;
 - Purchase of equipment; and working capital.
- Eligible counties include Los Alamos, Rio Arriba, Santa Fe, and parts of Sandoval and Taos.

PROGRAM/LOAN STRUCTURE:

- Maximum Program Benefits: There are no fixed loan limits; however loans up to \$100,000 and at least \$10,000 are preferred.
- Equity: A minimum 10%.
- Maturities: Generally five to seven years for capital assets and shorter periods for working capital.
- Rates: Loans are fixed during the loan term at a level of near (within 100 to 200 basis points) the prevailing prime rate.
- 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:

- All loans must have a significant match from other commercial sources with no less than a one-to-one financial match.
- Collateral, endorsements and key person insurance is required.
- A pre-application conference with NCNMEDD staff is recommended to discuss eligibility and any special requirements.
- The company must comply with various laws and executive orders detailed in the application. <http://www.ncnmedd.com/pdf/rlfappl2.pdf> or call 476-0930