

TIOGA COUNTY LOCAL DEVELOPMENT CORPORATION

Intermediary Relending Program

Loan Policies and Eligibility Criteria

The Tioga County Intermediary Relending Program is intended to provide low cost loans to eligible Tioga County businesses. All eligible loan applicants must demonstrate a need for financing. New or existing for-profit entities located in or wishing to locate in Tioga County where the assistance will result in the direct creation of new jobs or the retention of existing jobs are eligible.

1. Eligible Applicants: For-Profit entities located in Tioga County or wishing to locate in Tioga County whose projects meet the criteria for eligibility. Eligible applicants shall include sole proprietors, partnerships, corporations, and limited liability companies.
2. Ineligible Applicants: Businesses which have principals or immediate family members who hold a legal or financial interest or influence in Tioga County or the Tioga County Local Development Corporation (TCLDC), shall be deemed to have a conflict of interest.
3. Eligible Projects: Loan proceeds may be used for the following: (a) purchase of capital equipment; (b) real estate acquisition and/or new construction; (c) renovations and/or additions to facilities; (d) inventory; and (e) working capital.
4. Eligible Activities: Business acquisitions, construction, conversion, enlargement, repair, modernization, or development; the purchase and development of land, easements, rights-of-way, building, facilities, leases, or materials; the purchase of equipment, leasehold improvements, machinery, or supplies; pollution control and abatement; transportation services; startup operating costs and working capital; feasibility studies; reasonable professional fees related to eligible projects; and aquaculture as defined by Rural Development in Section 1948.109 (b) (2).
5. Ineligible Activities: Speculative activities (land banking and speculative buildings); purchase or finance equity in private business; debt consolidation or refinancing; agriculture production (except aquaculture as defined previously, commercial nurseries, forestry, livestock and poultry processing, growing of mushrooms or hydroponics, all of which are eligible); any illegal activity, hotels, motels, tourist homes, convention centers or amusement centers; and relocation out of Tioga County.
6. Maximum Loan Size: **\$100,000.00 maximum** or 50% of a total project, whichever is less, based on the availability of funds. The total amount of IRP assistance shall also be subject to job creation limits as noted in no. 11 below.
7. Matching Private Investment Required: At least 50% of the total project cost must be otherwise provided by the applicant in the form of: (a) bank financing; (b) other private financing; (c) equity; and/or (d) public financing other than the requested loan.

8. Interest Rate: 1% below prime, not to be less than 5%.
9. Loan Terms: General guidelines:
 Inventory/working capital up to 2 years
 Renovations and/or additions up to 10 years
 Acquisition and/or new construction up to 15 years
 Purchase of capital equipment useful life of equipment
 Loan terms may be blended if loan proceeds are for more than one use.
10. Collateral: Discretion of loan administrator. Personal guarantees required of any principal with 20% or more ownership.
11. Job Impact: One full-time job (37.5 hours) for each \$40,000.00 loaned. A minimum of 30% of the jobs must be available to persons from families who meet the IRP definition of poverty.
12. Fees: \$150.00 non-refundable application fee; 1% service fee; loan closing costs, and all costs incurred in enforcing the executed promissory note.
13. Payment Schedule: All loan payments due on the first day of the month. Late fee assessed after ten days.
14. Code Compliance: Required.
15. Environmental Audit: All applicants must demonstrate compliance with local, state, and federal environmental requirements. Projects involving real estate must provide a current environment audit.
16. Targeting Criteria: Job Retention/Creation.

All loans must comply with the requirements of federal and state laws concerning civil rights, the environment, flood protection insurance and access for the physically handicapped.

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