

TIOGA COUNTY LOCAL DEVELOPMENT CORPORATION
Small Business Revolving
Micro-Loan Program

Loan Policies and Eligibility Criteria

The Tioga County Small Business Revolving Loan Fund is intended to provide low cost loans to eligible Tioga County businesses for up to 50% of project costs. To be eligible, applicants must provide documentation showing that they are unable to secure an acceptable loan from commercial lending institutions.

1. Eligible Applicants: Eligible businesses shall include small manufacturers, tourism-based businesses and other industries in Tioga County which tend to import dollars into the county by selling goods and/or services to outside firms.
2. Ineligible Applicants: Officers, Board Members, staff or blood relatives of any of the above representing the Tioga County Local Development Corporation for a period of one year after leaving the organization.
3. Eligible Projects: Loan proceeds can be utilized for projects that result in small business start-up or expansion redevelopment of vacant businesses, business and job retention, modernization or rehabilitation of existing industrial and manufacturing facilities and utilization of new technologies.
4. Eligible Activities: Acquisition and/or improvement of land, building, plant and equipment; including new construction or renovation of existing facilities; demolition and site preparation; and working capital.
5. Ineligible Activities: Speculative activities; purchase or finance equity in private business; debt consolidation or refinancing; relocation out of Tioga County.
6. Maximum Loan Size: **\$20,000.00 maximum** based on the availability of funds, \$2,500 minimum.

7. Matching Private Investment Required: For loan amounts greater than \$2,500 at least 50% of the total project cost must be otherwise provided by the applicant; applicant must demonstrate a 5-10% minimum equity in the project. For loan amounts of \$2,500 or less no match or equity is required.
8. Interest Rate: 5% fixed.
9. Loan Terms: Three to five years for working capital. Five to seven years for machinery; seven to ten years for real estate activities.
10. Collateral: The revolving loan fund may accept a subordinated collateral position.
11. Job Impact: One full-time job (37.5 hours) equivalent employee for every \$15,000 loaned.
12. Fees: \$150.00 Non-Refundable Application Fee; 1% Service Fee; and loan closing costs.
13. Payment Schedule: Due the first day of each month; late fee assessed after the 10th day of the month.
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 environmental 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.

This institution is an equal opportunity provider.