

ECONOMIC DEVELOPMENT REVOLVING LOAN FUND

“Gap
financing”
that partners
with your
bank loan



City of Troy
Development
Department

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*The Loan
Guidelines and
Loan Application*
are available at:
www.troyohio.gov
/development

The ED RLF program
is not intended for
start-ups. These loans
are intended for
businesses in existence
for 2 or more years.

Program Description:

The Troy Economic Development Revolving Loan Fund (Troy ED RLF) is a city-administered program leveraging **federal** dollars to provide “gap financing” to businesses that have a primary lender. The Troy ED RLF strengthens cash flow and capacity position for the business by requiring less equity and providing a lower interest rate. In addition, the program is attractive for banks as the City helps guarantee the loan by taking a subordinate position.

Requirements:

- Create one new job for every \$25,000 borrowed.
- At least 51% of new jobs shall be from low-to-moderate income households.
- Federal/State financing and environmental requirements apply to this funding.
- 50% maximum project financing.
- \$100.00 non-refundable application fee
- 1.5% Closing Fee

Rate:

- Less than 10 years = 0.5% below current Prime Rate.
- 10-15 years = Current Prime Rate.
- Greater than 15-20 years = Current Prime Rate plus 1%.

Term: Up to 20 years, or matching the life of the asset

Collateral:

- Mortgage on land and building.
- Lien on equipment.
- Lien on business assets.
- Personal guarantees.

Eligible Use of Funds:

- Purchase equipment or fixed assets.
- Building improvements (federal prevailing wage rates are required).
- Inventory and material purchases.

Ineligible Use of Funds:

- Debt refinancing.
- Working capital.
- Payment of property taxes or assessments.
- Financing for a business that otherwise has the ability to finance with conventional lending.