

ROMA ECONOMIC DEVELOPMENT CORPORATION (REDC) REVOLVING LOAN FUND

FUNDING CRITERIA IS AS FOLLOWS:

LOAN SIZE: Loans of \$10,000 to \$150,000. Larger loans would have to be considered on a case by case basis with specific economic impact.

The size of the fund loan may be used upon the number of jobs created and/or retained as a result of the project. Each business loan participant is required to create or retain one full-time job for every \$10,000 borrowed.

LOAN TERMS: Up to ten (10) years, depending on the type of financing (working capital, machinery and equipment, real estate, etc.) but will not exceed the economic life of the assets being financed.

INTEREST RATE: The interest rate of each loan is based upon the project's need and is set on a case-by-case basis.

APPLICATION FEE: A loan fee of \$700 –1,000.00 of the Fund loan amount may be charged to the borrower.

COLLATERAL: The loans will be fully secured. Collateral on the loans will include liens on real property and machinery and equipment; lease assignments; personal/corporate guarantees and other collateral.

FOR INFORMATION ON THE REVOLVING LOAN FUND, PLEASE CONTACT:

Roma Economic Development Corporation (REDC)
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Roma, TX 78584

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ALL TERMS ARE SUBJECT TO CHANGE



Roma Economic Development Corporation Is an Equal Opportunity Employer and Provider



REVOLVING LOAN FUND QUICK FACTS:

- **LOAN AMOUNTS**
 - \$10,000 Minimum
 - \$150,000 Maximum

- **TIME FOR LOAN APPROVAL/FUNDING**
 - 30 days for approval/denial with complete loan package
 - 120 days for fund approval loan

- **COLLATERAL**
 - 100% required (equipment, land, cash, building, etc.)

- **FINANCING**
 - Up to 75% of project cost

- **INTEREST RATE**
 - Set on a case by case basis

- **FEES**
 - To be set by a case by case basis (usually \$700.00 – 1,000 of loan amount plus other associated costs)

- **LOAN TERMS**
 - To be determined by a case by case basis

- **JOB CREATION**
 - Creation or retention of 1 full time position for every \$10,000 borrowed

- **LOAN COVERAGE AREA**
 - Expansion or new start up must be located within the City of Roma and surrounding ETJ (1 mile)

- **USE OF FUNDS**
 - New start up
 - Expansion of existing business
 - Equipment purchase
 - Land purchase
 - Building purchase
 - Working capital
 - Renovation of existing buildings



ROMA ECONOMIC DEVELOPMENT CORPORATION (REDC) FREQUENTLY ASKED QUESTIONS

1. What are the minimum and maximum loan amounts?

\$10,000 to \$150,000

2. How long must I wait before receiving my loan?

Applications are generally approved or declined within thirty (30) days of receipt of a complete application package. Approved applications can generally be funded within hundred and twenty (120) days of receipt of a complete application package.

3. How much of my project can you finance?

Up to seventy-five percent (75 %) of eligible project costs not to exceed the maximum allocation amount of \$150,000.

4. What is the loan term?

Determined by project and financial need, the term of other project lenders, the economic life of assets being financed or a combination of these factors.

5. What are the interest rates?

Interest rates will be determined on a case by case basis.

6. Are there any fees involved?

Applicants will be required to pay a fee of approximately \$700 – 1,000.00 of the loan amount, plus any related costs including, but not limited to, attorneys fees, appraisals, credit reports, recording fees, title insurance premiums and environmental review/mitigation costs.

7. What types of collateral are required?

Various types of collateral can be accepted. 100% is required (equipment, land, cash, building, etc.)

8. Are personal guarantees required?

Personal guarantees may be required

9. What are the equity requirements?

Minimum owner equity in the project must be ten percent (10%) for existing businesses and at least twenty percent (20%) for start up businesses.

10. What are the job creation requirements?

Generally speaking, each business loan participant is required to create or retain one full-time job for every \$10,000 borrowed.

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