

- COLLATERAL. The City will seek to have the best possible collateral position possible. This City is willing to take a subordinate position if it is justified in the loan proposal.

APPLICATIONS

- SUBMISSION. Prior to submitting an application, the applicant shall discuss the program with the City Administrator.
- TIMING. Applications may be submitted at any time. Applications are reviewed in the order received and may be awarded based on RLF funds available.
- APPLICATION. A completed application must be submitted for RLF program consideration. An application and manual can be obtained by contacting the City Administrator or printed from our web page at www.newlondonwi.org.

REVIEW PROCESS

- Preliminary Review. The City Administrator will review the application for completeness.
- Formal Review. The Loan Review Committee will review and forward an approved application to the City Council for final consideration.

Revolving Loan Fund

**What Help is Available for the
Start-up or Expanding Business
in New London**



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PROGRAM DESCRIPTION

The City of New London, Revolving Loan Fund (RLF) program was established to create employment opportunities, encourage private investment, and provide a financing alternative for small start-up or expanding businesses in the City. The RLF program includes interest rates and loan maturities that are designed to encourage business development, while providing for the recapitalization and growth of the RLF. Complete information on the RLF program can be found at the City web site under the heading "Economic Development" The City web site is at www.newlondonwi.org.

ELIGIBLE ACTIVITIES

- Acquisition of land, buildings, and fixed equipment.
- New construction, expansion and remodeling of buildings.
- Clearance, demolition, or removal of structures or the rehabilitation of buildings or other such improvements.
- Working capital.

INELIGIBLE ACTIVITIES

- Refinancing or consolidating of existing debt.

- Reimbursement for expenditures prior to loan approval.
- Specialized equipment that is not essential to the business operation.
- Residential building construction or reconstruction.
- Routine maintenance.
- Professional services such as feasibility and marketing studies, accounting, management services, or other similar services.
- Other activities that the Loan Review Committee may identify during the administration of the program.

MINIMUM REQUIREMENTS

- PRIVATE FUNDS LEVERAGED. The applicant must leverage a minimum of one dollar of private funds for every one dollar of loan funds requested.
- JOB CREATION. At least one full-time permanent position or full-time equivalent must be created for every \$20,000 of program funds requested.
- FEASIBILITY. The applicant must demonstrate that the proposed project is viable and the business will have the

economic ability to repay the loan.

- EMPLOYMENT. The project shall provide increased permanent employment or will retain existing jobs which would have been lost locally. Of the jobs created or retained, at least 51 percent of these jobs must be made available to low to moderate income persons.
- COMPLETION. Projects shall be completed within 24 months from the date of loan approval.

TERMS AND CONDITIONS

- LOAN AMOUNT. Loan amounts are subject to the availability of program funds, but shall not exceed \$150,000 per loan.
- INTEREST RATE. The interest rate shall be established by the Loan Review Committee.
- TERMS. In no case will the term of the RLF be longer than the term of the private financing. Maximum terms are; seven years for working capital, ten years for equipment, and twelve years that can be amortized on a 20-year basis with an option to refinance for real estate.
- PERIOD OF PAYMENT. Terms may include longer amortization schedules with balloon payments. Interest and/or principal payments may be deferred for up to one year. There are no prepayment penalties.