

## Revolving Loan Summary

### Eligibility Basics:

- Gross revenue in the business must be less than \$1 million
- The business has 50 employees or less
- Must be physically located in the City of Tipton (exceptions possible based on circumstances)
- Business must be owned by US citizens or reside in the US after legal admittance for permanent residence

### Can be used for:

- Acquisition and development of land, easements and right-of-ways
- Construction, conversion, enlargement, repairs or modernization of buildings, plants, machinery, equipment access streets and roads, parking areas, and utilities
- Loans for startup operating costs or working capital
- Technical assistance for private business enterprises

The City of Tipton and the United States Department of Agriculture are Equal Opportunity Providers.

El Ciudad de Tipton y el Departamento de Agricultura de los Estados Unidos son Proveedores de Igual Oportunidad.



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## City of Tipton Revolving Loan Program



## **Revolving Loan Fund Background, Purpose and Process**

### **Background**

The Revolving Loan Fund is designed to assist small businesses create or retain jobs. The fund is provided for by a grant from the United States Department of Agriculture Rural Business Enterprise Grant and the City of Tipton. The grant is administered through the Community Development Office.

### **Purpose**

The Revolving Loan Fund will assist small businesses in creating or retaining jobs in the community. The goal of the program is to create or retain one job for every \$10,000 loaned into the community.

### **Process**

Each application will be reviewed and approved by a Loan Committee designated by the City Council. The committee receives a financial grade from a group of bankers who review the financial standing of each application. Final approval will be made by the City Council and the USDA.

### **Eligibility Requirements**

- Gross revenue in the business must be less than \$1 million
- The business has 50 employees or less
- Must be physically located in the City of Tipton (exceptions possible based on circumstances)
- Business must be owned by US citizens or reside in the US after legal admittance for permanent residence

### **Eligible Projects** (include, but not limited to)

- Acquisition and development of land, easements and right-of-ways
- Construction, conversion, enlargement, repairs or modernization of buildings, plants, machinery, equipment access streets and roads, parking areas, and utilities
- Loans for startup operating costs or working capital
- Technical assistance for private business enterprises

### **Ineligible Activities**

- RLF funds cannot be used to produce agriculture products through growing and cultivating. Exceptions include commercial nurseries, greenhouses or other limited agricultural production
- Financing area-wide comprehensive planning is not eligible

- RLF funds will not be used to fund part of a project unless there is a firm commitment of the other funding to ensure completion
- RLF funds cannot be used to pay off any previous debt

### **Other Information**

- Evidence must be presented that indicates that the RLF is necessary to make the proposed project feasible
- Loans will typically be between \$2,500 to \$10,000. Smaller or larger loans will be considered on a case by case basis.
- The Loan Committee will determine the length and interest rate of loans
- A processing fee will be applied as .5% added to the interest rate

### **For more information or an application contact:**

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