

RICE COUNTY

ECONOMIC DEVELOPMENT REVOLVING LOAN FUND

Meet us in the middle



BECAUSE RICE COUNTY KNOWS THAT BUSINESS IS THE LIFEblood OF ITS ECONOMY, ECONOMIC DEVELOPMENT OPERATES A REVOLVING LOAN FUND FOR LOCAL BUSINESS AND INDUSTRY WITH THE ASSISTANCE OF USDA RURAL DEVELOPMENT.

THE REVOLVING LOAN FUND PROVIDES LOW-INTEREST LOANS FOR PROPOSED PROJECTS THAT WILL CREATE NEW JOBS, HELP BUSINESSES MAINTAIN OR EXPAND EXISTING OPERATIONS, AND ADVANCE THE COUNTY'S ECONOMIC DEVELOPMENT GOALS AND OBJECTIVES. THE FUND IS INTENDED TO PROVIDE A FINANCIAL INCENTIVE FOR BUSINESS AND INDUSTRIES TO INVEST IN THEIR OWN GROWTH BY PROVIDING "LEVERAGE".

WHO IS ELIGIBLE?

ANY BUSINESS, OR INDUSTRY LOCATED IN RICE COUNTY, INCLUDING START-UP CONCERNS, OR ANY BUSINESS OR INDUSTRY MOVING TO RICE COUNTY MAY APPLY.

HOW CAN FUNDS BE USED?

FUNDS MAY BE USED FOR:

- ❖ ACQUISITION OF LAND, BUILDINGS OR EQUIPMENT;**
- ❖ BUILDING RENOVATION, REHABILITATION OR EQUIPMENT INSTALLATION**
- ❖ WORKING CAPITAL FOR INVENTORY AND DIRECT LABOR**

REFINANCING, RESIDENTIAL CONSTRUCTION, SPECIALIZED EQUIPMENT NOT ESSENTIAL TO THE OPERATION AND ROUTINE MAINTENANCE GENERALLY CANNOT BE FINANCED.

ARE THERE OTHER REQUIREMENTS?

THERE MUST BE ONE NEW OR RETAINED JOB FOR EACH \$20,000 OF REQUESTED ASSISTANCE. So a \$100,000 LOAN WOULD REQUIRE CREATION OF FIVE JOBS, OR PROOF THAT FIVE JOBS WOULD BE LOST TO THE COUNTY WITHOUT FUNDING.

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HOW MUCH CAN I BORROW, AND WHAT IS THE INTEREST RATE?

LOAN AMOUNTS ARE SUBJECT TO THE AVAILABILITY OF FUNDS. THE MINIMUM LOAN IS \$1000. INTEREST RATE WILL BE 2%.

HOW DO I APPLY?

APPLICATIONS MAY BE SUBMITTED AT ANY TIME. IN ORDER TO INSURE THAT APPLICANTS DO NOT WASTE TIME, THE PROJECT SHOULD BE FIRST DISCUSSED WITH THE DIRECTOR OF ECONOMIC DEVELOPMENT. AT THAT TIME, AN APPLICATION FORM AND ASSISTANCE WILL BE PROVIDED.

ALL FINANCIAL INFORMATION WILL BE KEPT CONFIDENTIAL. CRITERIA USED IN THE EVENT THAT FUNDS ARE LIMITED WILL BE SHARED WITH THE APPLICANT.

THE LOAN PACKAGE CONSISTS OF:

- APPLICATION
- BUSINESS DESCRIPTION (BUSINESS PLAN)
 - HISTORY
 - KEY CUSTOMERS AND CLIENTS
 - THREE YEARS' FINANCIAL HISTORY
 - ONE-THREE YEARS' PROJECTIONS
 - OTHER INFORMATION AS REQUESTED
- PROJECT DESCRIPTION
- DOCUMENTATION OF NEED

WHAT REPORTING REQUIREMENTS ARE INVOLVED?

THE COUNTY REQUIRES QUARTERLY AND ANNUAL FINANCIAL REPORTS AND PERIODIC PAYROLL RECORDS TO VERIFY EMPLOYMENT. INSPECTIONS MAY ALSO BE REQUESTED.

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WHAT COLLATERAL WILL BE EXPECTED?

- A FIRST OR SECOND LIEN ON ASSETS PURCHASED WITH THE LOAN.
- A LIEN ON OTHER BUSINESS ASSETS.
- PERSONAL GUARANTEES.

WHAT LOAN TERMS ARE AVAILABLE?

LOAN TERMS ARE FOR REPAYMENT UP TO 10 YEARS.

WHAT IS THE COUNTY'S PROCEDURE?

WHEN A COMPLETE APPLICATION IS RECEIVED, IT PROCEEDS THROUGH THE FOLLOWING STEPS:

- REVIEW BY THE DIRECTOR OF ECONOMIC DEVELOPMENT
- REVIEW AND RECOMMENDATION BY THE ECONOMIC DEVELOPMENT ADVISORY COMMITTEE (MEETS MONTHLY OR ON CALL)
- APPROVAL BY THE RICE COUNTY COMMISSIONERS (MEET WEEKLY)
- LOAN CLOSING

HOW LONG DOES IT TAKE TO GET A LOAN?

A LOAN CAN USUALLY BE MADE WITHIN NO LONGER THAN TWO MONTHS OF RECEIPT OF A COMPLETE APPLICATION.

HOW ARE LOAN REPAYMENTS HANDLED?

REPAYMENT IS IN EQUAL MONTHLY PAYMENTS OF PRINCIPAL AND INTEREST.
OTHER TERMS MAY BE AVAILABLE.
THERE IS NO PREPAYMENT PENALTY.

APPLICATIONS MAY BE SUBMITTED TO:

STACY CLARK, DIRECTOR
RICE COUNTY ECONOMIC DEVELOPMENT
P.O. Box 171
LYONS, KS 67554
(620) 257-5166
reed@ricecounty.us