

**LIMESTONE DEVELOPMENT FOUNDATION  
REGIONAL ECONOMIC DEVELOPMENT LOAN FUND  
(LDF REGIONAL EDF)**

*Promoting economic growth in Limestone*

***PROGRAM OUTLINE***

**LOAN AMOUNT: Maximum loan \$200,000.00, Quality Child Care Projects  
\$100,000.00**

REDRLF funds can finance up to 50% of a project cost provided the loan does not exceed \$50,000.00

<b>EXAMPLE</b>	<b>(1)</b>
Total Project	\$100,000.00
Amount from other sources	\$ 50,000.00
Maximum REDRLF	\$ 50,000.00

or 1/3 of project funds provided the loan does not exceed \$200,000.00:

<b>EXAMPLE</b>	<b>(2)</b>
Total Project	\$270,000.00
Amount from other sources	\$180,000.00
Maximum REDRLF	\$ 90,000.00

**TERMS:**

APPLICATION FEE \$100.00

ORIGINATION FEE OF 1% OF THE LOAN AMOUNT

INTEREST RATE OF 7 ½% (SUBJECT TO CHANGE)

MAXIMUM TERM IS 20 YEARS (TERM DEPENDS ON ABILITY TO REPAY AND USE OF FUNDS)

**COLLATERAL:** All Loans will be collateralized. The business and owners should be prepared to dedicate all and any asset available to secure the loan requested. Subordinated (2<sup>nd</sup> and 3<sup>rd</sup>) positions are possible based on collateral values.

**ELIGIBLE REQUIREMENTS:**

1. Must have 50 or fewer employees; or \$5,000,000.00 or less in annual sales
2. Unable to obtain financing from other public or private sources including use of owner's assets to obtain loan elsewhere.

3. **Must commit all reasonably available resources to the project;** must have commitment from other lenders; **and demonstrate a reasonable likelihood that the loan can be repaid.**
4. Loans over \$100,000.00 must be submitted to FAME for approval.
5. Funds cannot be used for distribution or for the benefit of owner or related entity.
6. Applicants must be one of the following types:
  - A. Advanced manufacturing technologies, such as value added wood products and specialty fabricated metal and electronic products;
  - B. Advanced information systems technologies, such as telecommunications and environmental products and services;
  - C. Advanced biological and natural resources technologies, such as aquaculture, agriculture and biotechnology;
  - D. A business converting from defense dependencies;
  - E. A business significantly engaged in exports of goods or services to locations outside the state;
  - F. A business that dedicates significant resources to research and development activities; and
  - G. Other businesses with five (5) or fewer employees.
  - H. Quality Care Project

PRIORITIES: for eligible borrowers other than quality child care projects

1. Value added to raw materials or inventory.
2. Long term net increase for permanent quality jobs that may **include ownership and self-employment** and meet local or regional needs.
3. Retention of jobs in jeopardy of being lost.

**SPECIAL RULES FOR QUALITY CHILD CARE PROJECTS:**

**Not more than \$5,000 of loan program proceeds shall be used for lead abatement.**

**Rates for Child Care under this program will not be any less than 6% and no greater than prime.** This may vary. Please ask your loan officer about these rates.

NOTE: ONLY BUSINESSES LOCATED IN LIMESTONE ARE ELIGIBLE UNLESS APPROVED BY THE COMMUNITY MANAGER AND FAME..

APPLICATION PROCESS:

An application to be completed and listing all required documentation for a formal application are available at the office of LDF or may be mailed to you.

Assistance in preparing a Business Plan and Proformas can be obtained by calling Northern Maine Development Commission and asking for the Small Business Development Center personnel or the Business Finance Department.