

# ***NMDC REVOLVING LOAN FUND***

## ***PROGRAM GUIDELINES***

### **PURPOSE**

It is the purpose of this program to provide financing for business activity and community development to help create and/or retain jobs within the economic development district serviced by the Northern Maine Development Commission. It is important to concentrate on readjustment of existing businesses as well as creating new opportunities for startup businesses.

### **USES**

Loans to Borrowers must be for the establishment of new businesses, the expansion of existing businesses, creation of employment opportunities, saving of existing jobs, or community development projects.

### **LOAN LIMITS**

NMDC has an aggregate loan limit of \$500,000.00 established for any one borrower or affiliates.

### **APPLICATION**

First, call a member of the Business Finance Department to determine if your business is or will be eligible. If determined eligible a member of the Business Finance Department will help you with the application and any additional information about your business and the ownership and management of the business needed to process your loan.

### **INTEREST RATE**

The interest rate will be computed at Prime with a floor or minimum of 5% and a cap or maximum of 9%, with the rate adjusted on the anniversary date of each loan. This rate is subject to change according to economic and financial conditions. Please call a member of the business Finance Department to determine the current rate.

### **FEES AND CHARGES**

At time of application the borrower will pay for the estimated cost of a credit check and out of pocket costs anticipated for processing the application. NMDC will charge a one-time origination fee equal to one (1%) per cent of the NMDC RLF loan, due and payable at time of commitment. The borrower will also pay legal fees and other out of pocket expenses incurred by NMDC in the closing of the loan.