

TOWN OF VAN BUREN

RD/RBEG PROGRAM OUTLINE

PURPOSE

To support the development of small and emerging private business enterprises in rural area, to achieve rural development objectives, to support strategies for rural area development in the Town of Van Buren.

LOAN AMOUNT

Maximum Loan \$99,900.00

Or not more than 1/2 of the net project funds

Example:	Total All Project Funds	\$60,000.00
	Amount From Other Sources	\$30,000.00
	Maximum VB Fund Loan	\$30,000.00

TERMS

Borrower is to pay NMDC, at time of application, a \$50 deposit to cover out of pocket costs such as credit check, UCC11 search or any other out of pocket expenses

Origination Fee of 1% of the Loan Amount

Interest Rate of 4% (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 the owners should be prepared to dedicate all and any assets available to secure the loan requested. Subordinated (2nd, 3rd) positions are possible based on collateral value.

ELIGIBILITY REQUIREMENTS

1. 50 or fewer employees
2. Unable to obtain financing from other public or private sources including use of owners assets to obtain loan elsewhere
3. Must have commitment from other lender (s).
4. As a general rule, highest priority will be given to projects requiring funding less than a maximum of \$10,000 of loan funds per job created/retained.

5. Priority will be given to manufacturing or added value projects.

CONFLICT OF INTEREST

BORROWER WILL CERTIFY THAT THERE WILL BE NO POTENTIAL CONFLICT OF INTEREST WITH ANY TOWN OF VAN BUREN COUNSEL MEMBER, OFFICER, OR EMPLOYEE OF THE GRANTEE (VB), OR ANY CURRENT OR FORMER MEMBER OF THE GRANTEE'S LOAN ADMINISTRATION BOARD OR STAFF WHO REVIEWS, APPROVES OR OTHERWISE LOANS OR PARTICIPATES IN LOANS OR LOAN ACTIVITIES, WHICH WOULD DIRECTLY OR INDIRECTLY BENEFIT THESE INDIVIDUALS OR PEOPLE RELATED TO THEM BY BLOOD, MARRIAGE OR LAW.

An application to be completed and listing all required documentation for a formal application are available at the Town of Van Buren Economic & Community Development Office 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.