

What is the next step?

For more information on the revolving loan fund contact one of the Six County offices or the Six County Economic Development District.

Juab Co. Economic Development

160 North Main - Nephi, Utah 84648
Phone: (435) 623-3400

Millard Co. Economic Development

P.O. Box 854 - Delta, Utah 84624
Phone: (435) 864-1406

Piute Co. Economic Development

P.O. Box 99, Junction, Utah 84740
Phone: (435) 577-2949

Sanpete Co. Economic Development

191 North Main, Manti, Utah 84642
Phone: (435) 835-4321

Sevier Co. Economic Development

250 North Main - Richfield, Utah 84701
Phone: (435) 893-0454

Wayne Co. Economic Development

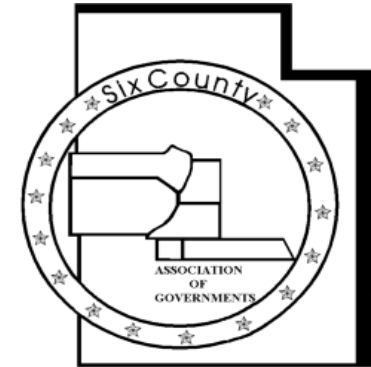
P.O. Box 189 Loa, Utah 84747
Phone: (435) 836-1315

Six Co. Revolving Loan Fund Office

P.O. Box 820 - Richfield, Utah 84701
Phone: (435) 896-9222, ext. 35

Six County

Revolving Loan Fund



Six County
Economic Development

SIX COUNTY REVOLVING LOAN FUND PROGRAM

The Six County Revolving Loan Fund has been established by the Six County Economic Development District. It was created with monies from Housing and Urban Development, the Economic Development Administration and USDA. The primary purpose of the fund is to create permanent, long-term jobs within Juab, Millard, Piute, Sanpete, Sevier and Wayne Counties by providing “gap” financing to qualified businesses for eligible activities.

Who can borrow from the RLF?

In order to qualify to borrow money from the RLF the project must meet the following requirements:

- The project must create or retain permanent, long-term jobs.
- Funding with satisfactory terms and conditions must be unavailable from conventional lending sources.
- Private lenders must be willing to participate in funding the project with the loan fund for at least 50% of the project costs.
- The jobs must be created within the Six County area.

How can the funds be used?

The following types of projects are eligible:

- Purchase and development of land and facilities.
- Construction of new buildings.
- Renovation of existing building.
- Purchase of machinery and equipment.
- With some restrictions, answer working capital needs.

How much can I borrow?

Maximum RLF participation is 40% of the total project cost, usually not to exceed \$150,000. Other lenders will need to provide the balance of financing. The borrower is required to participate with no less than 10% equity in the project.

What collateral is required to secure the loan?

The loan may be secured by a second mortgage or by a lien on assets purchased with loan proceeds.

What is the rate of interest?

Loans are made at fixed interest rates. The rate on individual loans may vary, but the rate is generally near or above the prime rate of commercial banks.

What are the repayment terms?

Repayment terms are flexible: up to 20 years for capital assets, 10 years for machinery and equipment, and 5 years on working capital. Equal monthly payments for principal and interest is the normal method of repayment and loans are generally on a simple interest basis.

What strings are attached?

As noted, the purpose of the RLF is to assist in job creation and retention. The borrower therefore agrees to create permanent, long-term jobs. Other federal civil rights, environmental and construction regulations are also to be complied with and monitored. A borrower will be assisted in meeting these requirements.

What fees am I required to pay?

The applicant pays all out-of-pocket closing costs. There is also a 1.5% origination fee due at loan closing.

Are there any other requirements?

The following will usually be required:

- Business plan and financial projections.
- Personal guarantees of principals.
- Periodical financial statements after loan is granted.
- Key man life insurance.
- Evidence of sufficient cash flow to pay loan.
- Good credit history.

Examples of Possible Loan Structures

