

ECONOMIC DEVELOPMENT

REVOLVING LOAN FUND

APPLICATION REVIEW PROCESS:

- ◆ Submit application with a business plan and required financial statements to the Department of Economic Development.
- ◆ Staff reviews Business Plans for completeness and feasibility.
- ◆ Application will be evaluated for:
 - *Financial Need*
 - *Reasonable Cost*
 - *10% owner equity*
 - *Job Creation*
 - *Credit History*
 - *Current financial health of the company.*
 - *Letters from all involved parties stating their commitment to fund the project.*
 - *Reasonable collateral (personal and/or business) .*
 - *RLF Loan Committee meets to approve or decline the loan request. Loan terms are negotiated upon arrival.*



FUTURE PROJECTS



**FOR MORE INFORMATION OR TO
ARRANGE A PRE-APPLICATION
MEETING**

Contact the City of Seat Pleasant
Department of Economic Development
Director Weyimi Ayu
301-336-2600



"A Smart City of Excellence"

ECONOMIC DEVELOPMENT

REVOLVING LOAN FUND



Program Mission

The purpose of the RLF is to assist with business financial needs that will create and retain employment opportunities in the City of Seat Pleasant; with major emphasis on employment for persons from low to moderate income households.



CITY OF SEAT PLEASANT

Mayor Eugene W. Grant

**Department of
Economic Development**

6301 Addison Road
Seat Pleasant, MD 20743
301-336-2600

[www. SeatPleasantmd.gov](http://www.SeatPleasantmd.gov)



LOAN REQUIREMENTS

- ◆ Eligibility limited to City of Seat Pleasant businesses.
- ◆ Maximum loan amount is \$50,000. Minimum loan amount is negotiable based on capacity.
- ◆ A minimum of 51% of the full-time equivalent (FTE) jobs created must be made available to Seat Pleasant and adjacent communities' residents with low to moderate incomes as defined by the U.S Department of Housing and Urban Development guidelines.
- ◆ RLF dollars may be loaned for each Permanent FTE job created.
- ◆ This program can provide up to 80% project financing. At least 10% of total project cost must be in the form of owner equity or private financing.
- ◆ Loans will be awarded primarily if the project will not go forward without RLF funding.

LOAN

APPLICATIONS

- ◆ Applications are accepted year round
- ◆ The applicant(s) must be Seat Pleasant residents or business owners within the corporate boundaries of the City.
- ◆ The applicant must demonstrate that the proposed project is viable and that the business will have the capacity to repay the loan.
- ◆ A current Business Plan and applicable financial reports are required.
- ◆ A pre-application meeting with the Department of Economic Development staff is required before a loan application is accepted. Building Construction, acquisition, rehabilitation or expansion.

ELIGIBLE USES

- ◆ Land acquisition (in conjunction with building purchase or construction)
- ◆ Purchase and installation of machinery and equipment
- ◆ Working capital (direct labor cost or inventory only)

WORKING CAPITAL LOAN

- ◆ Maximum loan amount is \$50,000. Maximum period of 5 years.
- ◆ Loans for working capital are allowed as direct outlays.
- ◆ Working capital loans may not be rolled into other loans for equipment, construction or building acquisition.

TERMS:

- Low interest rate
- Negotiable payback length
- Personal guarantee required on all loans.

INELIGIBLE USES:

- ◆ Working capital loans may not be used as a line of credit, a loan guarantee, or to refinance outstanding debt.

