

Low Interest Loan Program



What is the Revolving Loan Program?

The revolving loan program is managed by the City of Buena Vista for small businesses to provide needed capital for start-up and improvements.

Loans are provided with funding received through USDA Rural Development. Applications are reviewed by committee as they are received. Maximum loan award is \$15,000 at 3% interest over three years.

What will the RLP fund?

The Revolving Loan Program will fund the following:

- Acquisition and development of land, easements, and rights-of-way.
- Business equipment and machinery
- Access streets, roads, and parking areas
- Construction, conversion, enlargement, repair and/or modernization of buildings
- Pollution control and abatement facilities.
- Startup operating costs and working capital

What are the criteria?

- The business must be located in the City of Buena Vista.
- No assistance for any project will exceed \$15,000 without substantial evidence of significant economic and social benefit.
- One permanent job must be created or retained for every \$10,000 of funds loaned and the RLF loan can be no more than 75% of the total project cost.
- The minimum private (business/owner) investment or equity in the project is 25% of the project cost.
- There must be evidence that program loan funds are necessary to make the proposed project feasible.
- The project must be eligible under the United States Department of Agriculture guidelines to receive funding.
- Employees of USDA-RD or persons related to employees of USDA-RD are not eligible for lending from the IRP or RBEG funds



Additional Criteria & Next Steps

Are there additional criteria for construction or improvement loans?

- Applicants seeking funding for property improvements must submit a detailed plan of proposed improvements subject to the review of the Loan Review Committee.
- All applicants seeking funding must commence the property improvements, expansions, or construction within eight months of receiving funding. A project that does not abide by this timeline would constitute an event of non-compliance requiring immediate recapture of the loan balance. Upon initial notification of non-compliance, the recipient may request a remediation period for successful resolution of the non-compliance.
- The fund will not provide financing in excess of 15% of the total project cost to secure conventional lender financing.
- There must be evidence that no significant negative land use or environmental impacts will occur as a result of the project.

Are there additional criteria for seed/working capital loans?

- There must be evidence that the project is feasible and that the business requesting assistance can continue in the foreseeable future.
- Financial and business plans are required within the application process and subject to thorough review.

Interested? Here are the next steps:

- Fill out and submit an application to the Department of Community & Economic Development (DCED). The DCED will review your application and inform you if any additional information is needed
- If everything looks good, the DCED will send your application to the Loan Review Committee for final review and send you a letter/email with their response.
- The city will monitor progress by:
 - Providing follow-up assistance to borrowers, including site visits and financial record reviews.
 - Assisting businesses in issues concerning unexpected events and future growth.
 - Providing business consulting through key personnel on the Loan Review Committee.

Contact Kristina Ramsey if you have any questions!

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