

- Attractive Interest Rates
- Bank Participation
- Local Control
- Start Ups
- Flexibility
- Gap Financing
- Assists Businesses
- Expansions

The BCDCOG Revolving Loan Fund (RLF) is a locally controlled source of capital that assists startup and growing businesses whose projects help improve the tri-county economy. The primary purpose of the RLF is to aid in the creation and retention of jobs in the BCD region.

BCD Revolving Loan Fund

The BCD Council of Governments' Revolving Loan Fund can make loans to companies for purposes that include: acquisition and improvement of real estate; the purchase of machinery; equipment or inventory; and permanent working capital. Terms and conditions will vary with each loan application and are based on a review of the collateral, finances, and market risk associated with each request.



TERMS & CONDITIONS

In general, loan terms will average three - five years on working capital, five - seven years on machinery and equipment, and up to fifteen years on real estate.

Interest rates are fixed between Prime (+) 2 points and Prime (-) 4 points for the life of the loan.

To calculate the approximate amount the RLF can inject into a project, multiply the total project amount by 33%. The overall job creation-to-loan ratio must be

job created or retained per \$10,000 in funds borrowed from the BCD Council of Governments' RLF program.

ADVANTAGES

There are many reasons for borrowers and banks to utilize the BCDCOG RLF.

Interest rates on the RLF loans are fixed at or near prime rate. By combining RLF and bank financing, the borrower can often realize an effective rate below existing market value.

The RLF was not established to compete with the banking community or to be a lender of last resort.



It was established to project gap financing, thereby "filling the gap" between what the bank can reasonably lend on a project and what the business can provide in equity.

The RLF operates to help expand the region's economy through the creation and retention of jobs.

The RLF program is a local economic development initiative. All decisions are made by the BCDCOG, which is representative of the region.

- Provides capital assistance to new and existing businesses.
- Provides loan capital to commercial & industrial businesses to keep or expand employment.
- Provides financial assistance in the purchasing & selling of sites at attractive rates.
- Facilitates the availability of loan capital to small, minority & female-owned businesses
- Facilitates & encourages new and additional private investment in the region.
- Be part of an overall effort to encourage economic growth in the BCD region.

The RLF has loaned out a total of \$6.3 million to 51 businesses through the Berkeley-Charleston-Dorchester area. Those investments have translated into 2,300 jobs being retained or created. That translates into only \$2,739 per job, or 3.7 jobs for every \$10,000 loaned. By comparison, the EDA stipulated that RLFs shall spend no more than \$10,000 per single job created or saved.

Determine your goals and develop a plan

- **Loan Amounts - \$50,000 - \$250,000**
- **Interest Rate - fixed**
- **Term - Negotiable**
- **Origination Fee - 1.5%**
- **Legal Fees - Varies**
- **Prepayment Penalty - None**
- **Job Creation - the goal of the RLF program is to create one job per \$10,000 of funds borrowed**
- **Uses for Loan Funds - land, building construction, building expansion, machinery, equipment, and working capital.**



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Revolving Loan Fund

