

## **The Application and Approval Process:**

The City of North Charleston's Revolving Loan Fund has a simple application and approval process. This is all done through the Berkeley-Charleston-Dorchester Council of Governments. The application is reviewed by staff, the Loan Review Committee, and the Board of Directors.

## **How To Find Out More:**

For further information or to obtain an application package, contact:

Economic Development Manager  
BCD Council of Governments  
5290 Rivers Avenue, Suite 400  
North Charleston, SC 29406

Phone: 843.529.0400  
Fax: 843.529.0305



City of North Charleston  
Revolving Loan Fund Program  
PO Box 190016  
North Charleston, SC 29419-9016

*City  
of  
North  
Charleston*



**Revolving Loan  
Fund**

## What is the Revolving Loan Fund?

The City of North Charleston's Revolving Loan Fund (RLF) is a source of capital that can assist both start-up and expanding businesses. The City of North Charleston's RLF is funded by Community Development Block Grant (CDBG) funds. These funds are received by the City of North Charleston from the United States Department of Housing and Urban Development. This program is not intended to substitute for the activities of existing financial institutions, but is intended to help meet the capital needs of North Charleston's businesses. The City of North Charleston's RLF is operated by the Berkeley-Charleston-Dorchester Council of Governments (BCDCOG).



### RLF Terms, Conditions and Requirements:

The City of North Charleston's 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 collateral, finances and market risk associated with each request.

- Loans are made between \$5,000 and \$25,000.
- Loan terms average from 1 to 7 years, depending on the amount borrowed.
- The interest rate will be fixed between Prime (+) 2 points and Prime (-) 4 points for the life of the loan.
- The overall job creation-to-loan ratio must be one job created or retained for every \$5,000 borrowed in funds from the City of North Charleston's Revolving Loan Fund.
- It is expected that at least two dollars of private funds be included in the project for every dollar that is received through the City of North Charleston's RLF Program.

### Loan Fees:

The City of North Charleston's Revolving Loan Fund has the following fees:

- A non-refundable loan application fee of 5% of the loan amount.
- A loan origination fee of 1 1/2% of the RLF loan amount.
- A 1/2% annual loan servicing fee.
- All third party fees, including attorney fees, will be at the expense of the borrower.



## What are the Advantages?

There are many reasons for borrowers and banks to utilize the City of North Charleston's Revolving Loan Fund.

**Attractive Interest Rates.** Interest rates are fixed at or near the prime rate.

**Bank Participation.** The RLF was not established to compete with the banking community or to be lender of last resort. The program teams with banks to assist clients with funding.

**Local Control.** The RLF program is locally controlled with all decisions made by qualified individuals through a simple, four-step process. This local control means quicker response time and less "red tape".

**Flexibility.** The RLF operates to help expand North Charleston's economy through the creation and retention of jobs. The RLF offers each applicant the maximum flexibility in structuring a loan.

