

## COLLATERAL AND OTHER REQUIREMENTS

Transfer of ownership without the commission's Executive Director approval is prohibited.

- Personal guarantees from owners with more than 20% ownership in the business (required)
- Full or partial letter of credit (optional)
- Adequate life insurance on key business owners/managers (recommended)
- Other types of credit enhancement (if necessary)
- Bank lender required
- Must have proper patent rights, licenses, permits, or certification
- Must not have unresolved environmental problems
- Must have at least 10% cash equity for the project
- Cannot require more than 40% financing from the RLF program
- Must demonstrate an ability to repay the loan
- Must meet job creation/retention requirements
- Must be current with local/state or federal taxes

A revolving loan fund advisory committee reviews all loan applications. Each loan must be approved by the Jeffersonville City Council.



City of Jeffersonville  
Redevelopment Commission  
500 Quartermaster Court  
Jeffersonville, IN 47130  
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# JEFFERSONVILLE REVOLVING LOAN FUND

### ELIGIBLE BUSINESSES

Small or emerging businesses as defined by the U.S. Small Business Administration, that are majority owned by U.S. citizens.

### ELIGIBLE PROJECT COSTS

- Acquisition of land
- Site improvements
- Infrastructure improvements
- Buildings and structure
- Purchase of equipment, machinery, and furnishings
- Building construction and/or renovation costs
- Purchase of an ongoing business's fixed assets

### INELIGIBLE PROJECT COSTS

- Refinancing of existing debt
- Financing of speculative projects or businesses
- Working capital (wages, inventory, utilities, rent, etc.)
- Research and development

### INTEREST RATES

Cannot exceed 2/3 of the prime rate on the date of closing.

### EQUITY

A minimum of 10% owners cash equity is required and 20% is preferred.

### PROGRAM FEES

\$100 non-refundable application fee, payable with the final, completed submission of loan application. Borrower must also pay legal fees at the closing, or may opt to have closing costs deducted from the loan proceeds.

### TERM

The term reflects that established by the participating bank or banks, with a maximum limit of 10 years.

### JOB CREATION/RETENTION

Loans of \$15,000 for the creation of one full-time job; \$10,000 for one part-time job, or one full- or part-time seasonal job; or \$5,000 for one full-time job being retained from loan proceeds. The borrower has 3 years from the day of the loan closing to retain or create the agreed upon job threshold. If the applicant wishes to use the RLF program for job retention, the borrower must clearly demonstrate why or how the jobs are at risk.

### AVAILABLE FUNDING

Bank lending participation is required, except under special circumstances. An RLF loan shall not exceed 40% of the total eligible project costs.

