



# Economic Development Revolving Loan Fund

Gap financing  
that partners  
with your  
bank loan.



## City of Troy Development Department

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Additional Fact Sheets  
Available For:

- Downtown Building Repair Program
- Small Business Development

## FACT SHEET

### Program Description:

The Troy Economic Development Revolving Loan Fund is a city administered program leveraging federal dollars to provide “gap financing” to businesses that have a primary lender. The Troy ED RLF strengthens cash flow and capacity position for the business by requiring less equity and providing a lower interest rate. In addition, the program is attractive for banks as the city helps guarantee the loan by taking a subordinate position.

### Requirements:

- Create one new job for every \$25,000 borrowed
- At least 51% of new jobs shall be from low-to-moderate income households
- Federal/State financing and environmental requirements
- 50% maximum project financing
- \$500.00 non-refundable application fee
- 1.5% Closing Fee

### Rate:

3% - 6%

### Terms:

- Normally 5 years on equipment, matching the life of the asset
- 15 years on real estate

### Typical Structure:

- 55% - Bank Finance (first lien position)
- 35% - Troy ED RLF (second lien position)
- 10% - Owner Equity (new cash)

### Collateral:

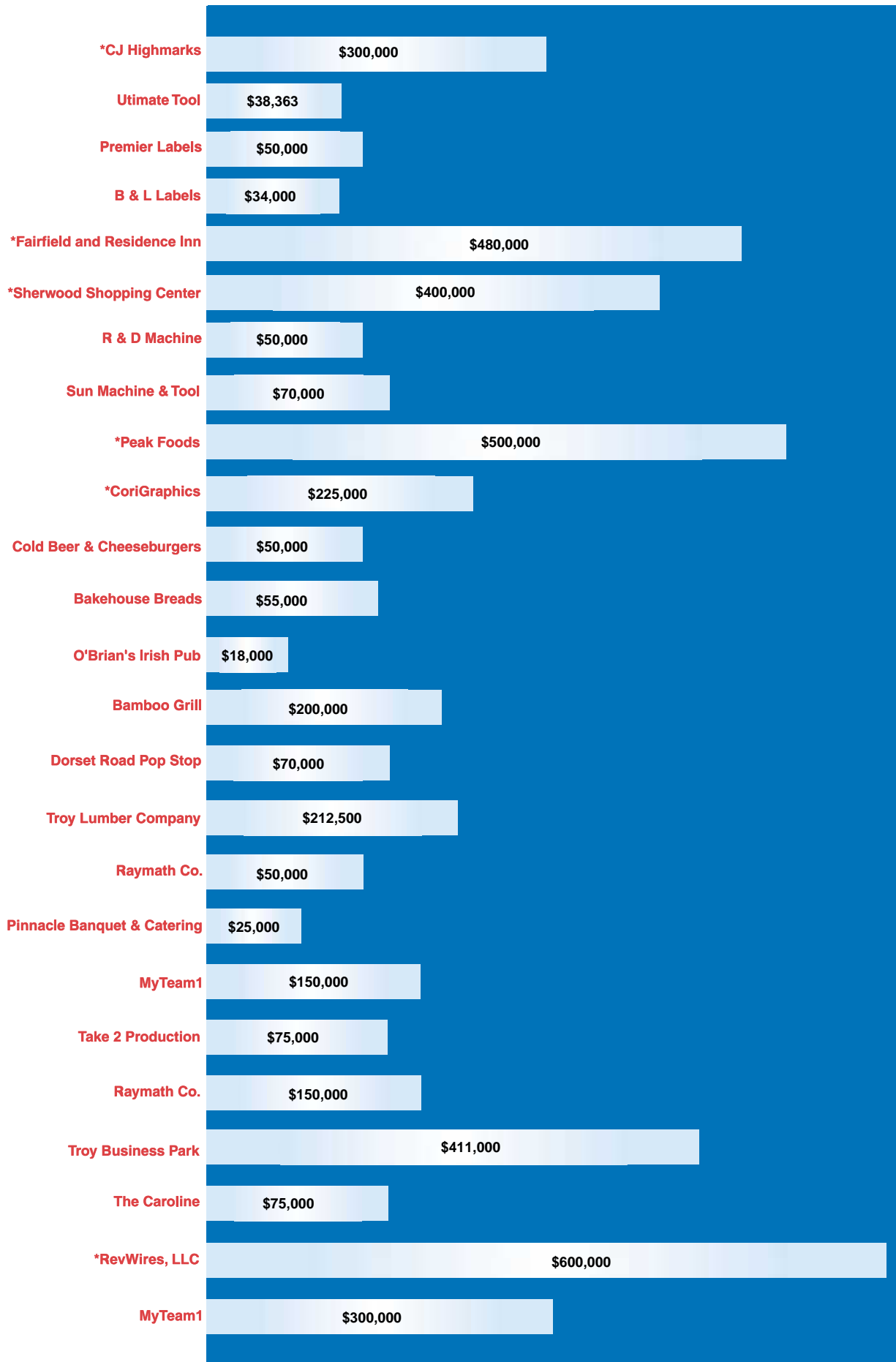
- Mortgage on land and building
- Lien on equipment
- Lien on business assets
- Personal guarantees

### Eligible Use of Funds:

- Purchase of fixed assets such as land, buildings, machinery and equipment
- Construction and building remodeling (federal prevailing wage rates required)

### Ineligible Use of Funds:

- Debt refinancing & rolling stock



\* State Assistance

**Total: 25 - \$4,588,863**