



The GMRC Revolving Loan Fund Program has loaned out a total of \$4.9 million to 53 businesses through the Georgia Mountains Region. Those investments have translated into 547 jobs being retained or created. That translates into only \$8,898 per job, or approximately 1.59 jobs for every \$15,000 loaned. By comparison, the EDA stipulated that RLF's shall spend no more than \$15,000 per single job created or retained.



Georgia Mountains Regional Commission



Revolving Loan Fund

Determine your goals and develop a plan

- Loan Amounts— \$15,000—\$150,000
- Interest Rate—Fixed
- Term—Negotiable
- Legal Fees—Varies
- Prepayment Penalty—None
- Job Creation—the goal of the RLF program is to create one job per \$15,000 of funds borrowed
- Uses for Loan Funds—land, building construction, building expansion, machinery, equipment, and working capital



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Let our RLF Program help you start or expand your business in the North Georgia Region

- Local Control
- Attractive Interest Rates
- Flexibility
- Gap Financing
- Assists Businesses

The Georgia Mountains Regional Commission 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 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.

Eligibility Requirements

Revolving Loan Fund Program monies are available to businesses of all sizes that are located in the following counties:

Banks	Dawson	Franklin
Habersham	Hall	Hart
Lumpkin	Rabun	Stephens
White	Towns	Union

Applicant must attempt to secure conventional financing before applying. Must show proof of denial from conventional financier.

The GMRC RLF Program can provide 100% financing with collateral approved by loan committee.

Funds can be used for gap financing when a bank is the first lien holder.

Owner must have a 10% equity stake in the project.

Applicant generally to provide one (1) job for each \$15,000 borrowed.

Loan Amounts

The minimum loan amount is \$15,000 and the maximum is \$150,000.

Loan Criteria

Borrowers are eligible for GMRC RLF financing only when credit is not otherwise available and on terms and conditions that permit the completion or successful operation of the activity to be financed. Documentation will be required from outside financial sources such as a bank rejection letter, borrowers certification that credit from other sources are not in their business plan and is not going to meet their needs or a referral from Georgia Small Business Development Center. In addition, the GMRC staff will provide written analysis in each loan file documenting the basis for the determination that the borrower meets this requirement

Terms & Conditions

In general, loan terms for fixed asset loans will be up to 15 years and working capital up to two (2) years.

Depending on financial analyses of borrowers, interest rates may be varied by no more than comparable U.S. Treasury rates minus four (4%) percent. Higher rates will be phased in only as deemed prudent by the GMRC Loan Committee.



Equity Requirements

When an applicant participates with a private lending institution the lending institution will generally hold the first lien with the GMRC RLF taking a second or junior position GMRC RLF employs standard collateral

requirements; sufficient and appropriate collateral is required for all loans. Personal guarantees will be required of any person having ownership interest of 20% or more in the business. Life insurance on key company officials will be required with an assignment to Georgia Mountains Regional Commission Loan Program, Inc.

Loan Application Review and Approval

After receiving an application and other required documentation, the Regional Commission Executive Director will forward the loan packet to the GMRC Revolving Loan Program Committee for their review. The Committee consists of up to ten (10) individuals from the Georgia Mountains Region who represent financial institutions, the business community and/or the private sector.

The Loan Committee may schedule an interview with the business owner (borrower), in addition they will determine the conditions/terms of the loan.

Advantages

There are many reasons for borrowers to utilize the GMRC RLF at a time when the unemployment rate is hovering around 8% and there are five job applicants for every one job, many residents in the Georgia Mountains Region have found themselves unemployed with little or no opportunity for employment in the near future. Entrepreneurial programs need to be strengthened in our Region to support entrepreneurial firms, small businesses, home-based businesses, or new businesses.

Interest rates on the RLF loans are fixed at or near prime rate.

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 GMRC Loan Program, Inc., which is representative of the region.