



VILLAGE OF GRAFTON REVOLVING LOAN FUND

The Village of Grafton Revolving Loan Fund (RLF) was established to create employment opportunities, encourage private investment, and provide a financing alternative for new business start-ups or expanding existing businesses in the Village of Grafton. The RLF program includes interest rates and loan maturities that are designed to encourage business, while providing for recapitalization and growth of the RLF.

ELIGIBILITY REQUIREMENTS

Businesses must meet certain eligibility requirements to receive funds from the RLF Program including:

- Businesses must create or retain one full-time equivalent for each \$20,000 of loan funds requested; and
- Businesses must make 51 percent of the jobs available to low and moderate income individuals.

ELIGIBLE ACTIVITIES

- Purchase, rehabilitation, renovation, or construction of a building
- Site acquisition and preparation
- Purchase of fixtures and equipment
- Working capital (inventory only)

FINANCING GUIDELINES

The following guidelines are used to evaluate each loan application:

- **LEVERAGE:** At least 50 percent of the total project costs must be funded through private resources.
- **LOAN AMOUNT:** Loan amounts are subject to the availability of funds, with a minimum of \$20,000.
- **LOAN TERMS:** The maximum loan terms are seven years for working capital; ten years for equipment, machinery, and fixtures, and twelve years for real estate.
- **INTEREST RATES:** The interest rate may range between two and three percent above the prime rate at the time the contract is signed.
- **DEFERRALS:** Payment of interest and/or principal may be deferred during the implementation period of the assisted activity if merited in the loan application.
- **COLLATERAL:** The Village of Grafton will seek to have the best possible collateral position possible to ensure that RLF loans are adequately secured.

CONTACT

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