

BRADD REVOLVING LOAN FUND

The Barren River Area Development District (BRADD) Revolving Loan Fund (RLF) is designed to assist small businesses in start-ups or expansions. The fund provides gap financing at reasonable rates and terms which enables the small business to be successful in its operation.

PROGRAM REQUIREMENTS

1. The program requires bank or other credit institution participation. The other lenders must provide documentation that they cannot make the entire loan and that the RLF participation is needed.
2. The project must create or retain jobs. The RLF will not loan more than \$10,000 per job.
3. RLF loans cannot exceed \$100,000. Total projects costing less than \$100,000 may receive up to 50% RLF participation. Projects totaling over \$100,000 may receive up to 25% RLF participation.
4. The owner must inject a minimum of 10% of the project costs.
5. The RLF cannot participate in a project that involves the relocation of a facility from one labor market area to another.
6. The RLF will participate in fixed asset financing (land, building and equipment). Working capital financing can be made available in some instances.
7. The RLF cannot fund debt consolidation, refinancing or repayment of existing debt.
8. Personal guarantees will be required of principal's with 20% or more ownership.
9. Since the source of the funds are federal monies, all construction financed with the RLF will be required to pay prevailing wages as set forth under the Davis-Bacon Act. State Clearinghouse comments must be received prior to the start of any project activities.

TERMS AND RATES

1. Repayment terms will be based upon the size, maturity and purpose of each project, and the terms and conditions of other participating lenders.
2. The rate is set at the date of the closing and will generally not be more than 4% below the prime rate. The minimum rate that can be charged is 4%.

LOAN PROCESS

1. The applicant should contact the BRADD staff to discuss the project and obtain an application. An application fee of \$150 must be submitted with the application. The fee will be credited towards closing costs if the loan is approved.
2. Once an application is submitted it will be reviewed by staff to determine the need for additional information and prepare a loan analysis for the loan committee.
3. The loan committee will review the request and make a recommendation to the BRADD Board.
4. The BRADD Board will make the final decision.
5. The RLF loan will not be closed and moneys will not be disbursed until the project is complete. A bridge loan will be required in most cases.

FOR ADDITIONAL INFORMATION: Barren River Area Development District
177 Graham Avenue
Bowling Green, Kentucky 42101
(502)781-2381
(502)842-0768 FAX
1-800-247-2510 TDD (for hearing impaired)

The BRADD does not discriminate on the basis of race, color, national origin, sex, age, religion or disability and provides, upon request, reasonable accommodation including auxiliary aids and services necessary to afford an individual an equal opportunity to participate in all services, programs, and activities.