

The Greencastle/Putnam County Development Center would like to introduce to our Putnam County small businesses - **The Revolving Loan Fund and Microloan Program.**

These funds and programs are designed to provide an additional source of funding for Putnam County businesses, which may be used for start-up or expansion costs. The loan may be blended with additional sources of financing to produce desired results for the small business.

Strong emphasis will be placed on technically innovative companies as well as agri-businesses that provide additional employment opportunities, although retail, service, and manufacturing companies shall also be considered if all criteria are met.



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Revolving Loan Fund

&

Microloan Program



ELIGIBLE APPLICANTS:

All individuals/small businesses will meet the following minimum criteria:

- The business shall be located in Putnam County.
- Total employment shall not exceed 50 people, and total sales shall not exceed \$1,000,000 annually.
- Applicants will not be denied on the basis of race, color, national origin, religion, age, gender, or handicap.
- The business will sign a statement maintaining a drug-free workplace.
- The individual must demonstrate the ability to repay the loan and currently maintain a good credit history.

LOAN USES:

Loan uses may include:

- Working capital, inventory, and fixed assets
- Marketing of new products and services

- Special consideration will be given to projects with potential long-term growth and ones that utilize local resources
- New construction of buildings and additions will not be funded
- Providing funding that may not qualify for conventional lending

LOAN TERMS:

Loan terms include:

- Amount: Up to \$25,000
- Time: not to exceed 5 years (60 months)
- Interest: 3%
- \$100 processing fee only for loans that are approved

LOAN CRITERIA:

Prior to receiving funding for a particular operation, applicants will be required to discuss their business plan with the G/PCDC Director. If a plan is incomplete, or has not been well thought out, the applicant will be directed to the SBDC for technical assistance in completing their plan. The applicant's plan must also exhibit the following criteria:

- Special consideration will be given to projects with a great potential for future long-term growth.
- To maximize the impact of this program, loans will be awarded for amounts ranging from \$10,000 to \$20,000. In certain conditions of need, the LRB may consider increasing the cap on a case-by-case basis.
- Terms shall be straight amortization unless directed by the loan committee. Interest rates

shall be determined for appropriateness for applicable businesses set at a fixed 3% interest to attract businesses which are not necessarily applicable for traditional financing, repayable monthly, with a term of five years for repayment. This term shall be designed to fit the need and the ability of the business to repay the loan. Other rates may apply.

- A one-time processing fee will be required from the borrower before the loan closing to cover the costs associated with the loan, such as credit checks, printing costs, coupon booklets, etc.
- Loan funds shall be secured unless otherwise determined by the LRB.
- Loans shall be limited to commercial, service, retail, or industrial use and can be used for start-up or expansion costs.

For an application or more information contact:

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