



PROGRAM: Section 209 East Central Michigan Revolving Loan Fund

DESCRIPTION: The ECM RLF provides gap financing/credit at reasonable rates to small and medium size businesses in Bay and Saginaw Counties. Target loans average \$25,000 to \$100,000 although the maximum loan is dependent on the fund balance. Loan terms will be negotiable with a maximum of five years for working capital, seven years for fixed assets and 15 years for land and buildings unless otherwise approved by the RLF Loan Fund Board.

SERVICE FEES: An application fee of up to \$500 will be charged to the applicant. Legal fees for document preparation incurred by the ECM RLF will be the responsibility of the borrower at closing.

OBJECTIVES: Loans are for business development, including start-up and expansion of locally owned businesses. Funding is intended for job creation and/or job retention, redevelopment of blighted and vacant facilities, modernization of facilities/equipment, support for development and/or use of new technologies, support for economically disadvantaged groups, and diversification of area economic activity. Eligible borrowers include private, public and tax exempt entities in the industrial/manufacturing, commercial and service sectors.

LOAN CRITERIA: Loans will be targeted for industrial or commercial activities where opportunities for private sector jobs are the greatest. Priority will be given to projects with a high ratio of other funds to RLF funds. **Private investment (including loans) must be made concurrently with a RLF loan as part of the same business development project.** Private investments do not include equity build-up or prior capital investment unless the investment is made within nine (9) months of the RLF loan. A private lender should also be making a loan to the company at the same time funds are being requested from East Central. Applicants must demonstrate a reasonable capacity to repay the loan. Adequate collateral will be required. A basic understanding of business bookkeeping and profitability measures will be expected.

PROCEDURE: An application package is available from the [East Michigan Council of Governments \(EMCOG\)](#). When complete, the application package is submitted to a Loan Committee of experienced lenders. A decision is generally made at the Loan Committee Board meeting if the application is complete. Funding is immediate at closing.

CONTACT: To apply for funding and to learn more information about the program contact **Pam Lake** at 989-928-0628 or, in Pam's absence, contact Steve Jonas at 989-757-2107.