

North Country Alliance Revolving Loan Fund

Introduction

The North Country Alliance is a not-for-profit consortium of the thirty Industrial Development Agencies, Local Development Corporations, and other agencies assisting business development in the North Country. Counties include Jefferson, Lewis, St. Lawrence, Clinton, Franklin, and Essex.

Eligible Applicants

Private for-profit businesses and not-for-profit organizations with 100 or fewer full time employees.

Loan Amounts

The lesser of \$225,000 or 40% of the project cost.

Loan Terms

Working Capital - up to 5 Years

Fixed Asset Financing - up to 15 Years

Interest Rate

Interest rates are set for the life of the loan at prime less 1% with a floor of 5%. Interest rate is set at closing.

Use of Funds

The Regional Revolving Loan Fund will make loans to rural businesses and community development projects. Loan funds are expected to:

1. Finance the establishment of new businesses, or
2. Finance the expansion of existing businesses, or
3. Finance community development projects.
4. Result in the creation of new employment.

Eligible ultimate recipients (business) must be:

- Owned by U.S. citizens or permanent residents in this country.
- Located in rural areas.
- Unable to obtain adequate financing from other sources.
- Not have a conflict of interest with the North Country Alliance.
- Not be delinquent on any Federal or State debt.

Rural Area

Rural area is defined as including all territory of a State that is not within the outer boundary of any city having a population of 25,000 or more.

Eligible Uses of Funds

1. Working Capital
2. Real Estate
3. Machinery and Equipment
4. Furniture and Fixtures
5. Accounts Receivable
6. Inventory

Ineligible Use of Funds

1. Agricultural production
2. Churches and fraternal organizations
3. Community antenna television sources or facilities
4. Any illegal activity
5. Golf courses, racetracks, or gambling facilities
6. Lending and investment institutions and insurance companies

Sponsorship

An NCA member must sponsor applications.

Collateral

The NCA takes a subordinate position behind the banks, secured by business and/or personal assets. Personal guarantee and key man insurance are required.

Fees

A \$100 non-refundable application fee and a commitment fee equal to the greater of \$500 or 1% of the loan. Closing costs are the responsibility of the borrower. Closing costs may be rolled into loan amount.

Regional Revolving Loan Fund Conditions

- Minimum equity investment of 10%
- Federal/State environmental clearance must be obtained.

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North Country Alliance Loan Sponsoring Agencies

Adirondack Economic Development Corporation
Business Development Corporation for a Greater Massena
City of Ogdensburg
Comlinks
Development Corporation of Clinton County
Essex County Industrial Development Agency
Franklin County Industrial Development Agency
Jefferson County Industrial Development Agency
Lewis County Industrial Development Agency
Massena Business Development Corporation
Ogdensburg Bridge and Port Authority
Plattsburgh-North Country Chamber of Commerce
St. Lawrence County Chamber of Commerce
St. Lawrence County Industrial Development Agency
Town of Canton
Village of Potsdam-Community Development Office
Watertown Local Development Corporation

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