

REDEC/RRC
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REDEC/RRC LOAN PROGRAM
Loan Policies and Eligibility Criteria

- 1. Eligible Applicants:** For-profit businesses located in Chemung, Schuyler and Steuben Counties. Preference will be given to manufacturing and industrial projects where opportunities for employment are greatest; and tourism related businesses, which will increase the tax base.
- 2. Ineligible Applicants:** Officers, board members, staff or blood relatives of any of the above Representing REDEC or RRC for a period of one year after leaving REDEC/RRC.
- 3. Eligible Activities:** Acquisition and/or improvement of land, building, plant and equipment; Including new construction or renovation of existing facilities; demolition and site preparation; and working capital.
- 4. Ineligible Activities:** Speculative activities; purchase or finance equity in private business; debt consolidation or refinancing.
- 5. Maximum Loan Size:** 50% of the total project cost, up to \$100,000; whichever is less, based on the availability of funds. A borrower may not have more than \$150,000 in REDEC/RRC loans outstanding at any one time. General, retail/commercial/service type projects are limited to \$50,000 or 35% of the total project costs; whichever is less.
- 6. Equity Requirement:** Minimum of 10% cash equity injection required.
- 7. Interest Rate:** Interest rate will be determined at loan approval and will be fixed for The term of the loan.
- 8. Terms:** 3-10 years for working capital and equipment.
7-15 years for real estate activities.
- 9. Job Impact:** Minimum of one full time (37.5 hours) equivalent employee must be Created for every \$20,000 loaned.

- 10. Fees:** \$250 non-refundable application fee. One percent (1%) service fee; and loan closing costs.
- 11. Payment Schedule:** Payments are due on the first day of each month. Any payment Received after the 10th of the month will be assessed a late fee.
- 12. Code Compliance:** Required
- 13. Environmental Audit:** All applicants must demonstrate compliance with local, state, and Federal environmental regulations. Projects involving real estate must Provide a current environmental audit
- 14. Demonstration of Need:** ***All applicants must demonstrate a need for REDEC/RRC financing and Provide supplemental evidence to document the need.***
Acceptable documentation include:
- a) Bank commitment letter outlining terms and conditions and that loan is contingent upon REDEC/RRC financing; or
 - b) Bank denial letter with reasons provided for denial.
 - c) Evidence That commercial bank financing is not available at the terms and conditions that the company qualifies for that will enable the project to occur.

All loans must comply with the requirements of Federal and State laws concerning civil rights, the environment, flood protection insurance and access for the physically handicapped.

***** Projects, which utilize federal dollars for construction/renovation, must comply with Davis Bacon (wage-rate) requirements*****

*****Terms may be blended if funds are used for more than one purpose*****

RRC ensures confidentiality of all applicants and does not discriminate against any applicant because of race, color, religion, sex, or national origin.

REDEC/RRC is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write, USDA Director, Office of Civil Rights, 1400 Independence Ave. S.W., Washington DC, 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD)