

# ULSTER COUNTY REVOLVING LOAN FUND

Ulster County Revolving Loan Fund (UCRLF) is a **co-lending program** administered by the Ulster County Economic Development Alliance (UCEDA). The program offers low-cost financing and guarantees to local businesses and non-for-profits in Ulster County. The program is a “gap financing” tool used to assist in the financing of projects, in combination with local commercial lenders. **Note, applicants must first explore opportunities to obtain funds for their projects from commercial lenders for a UCRLF loan. Loan applicants are required to have a term sheet, letter of intent, draft agreement, commitment letter or similar document from commercial lenders.**

Eligible entities include for-profit corporations, non-profit organizations, partnerships, or sole proprietorships whose primary place of business is in Ulster County.

**Loan amounts: \$25,000-\$150,000**  
**Up to 30% of Project cost**  
**20% Equity**

**Loan Guaranties** – The UCRLF guaranty is limited to 50% of the outstanding principal balance of a bank loan, with the amount not to exceed \$50,000.00.

## **ELIGIBILITY, LIMITATIONS, TERM, INTEREST**

<b>ELIGIBLE USES</b>	<b>TERM LIMITATION (YEARS)</b>
Land and Building Acquisition	15
New Construction and Building Renovation *	15
Site Improvements *	10
Machinery, Equipment and Fixtures **	7
Working Capital and Inventory ***	1-2

\* Owners and contractors are required to submit an environmental assessment certification.

\*\* The remaining effective life of the equipment, machinery or fixtures must equal to, or exceed, the life of the loan.

\*\*\* Working capital loans are limited to (2) months of operating expenses for the business. Inventory loans are limited to \$25,000

<b>INELIGIBLE USES</b>	
Refinancing debt	Pay delinquent taxes
Professional offices	Residential real estate investment
Product development costs	Media businesses
Organizational costs for start-up	Speculative investments
Ownership distributions	

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## **INTEREST RATE**

For loans of \$25,000 to \$50,000 an interest rate equal to the federal prime rate minus 2% (minimum of 3%) for a term of 5-10 years

For loans \$50,000 or greater an interest rate equal to the federal prime rate minus 1% (minimum of 4%) for a term longer than 10 years.

## **SPECIAL TERMS AVAILABE FOR:**

Clean Energy Related Projects \*  
Minority and Women-Owned Business Enterprises (MWBEs)  
Service-Disabled Veteran-Owned Business (SDVOBs).  
Business/Projects in an Overburden or Low to Moderate Income Communities

\* Installing and/or purchasing clean energy improvements at a small business's existing facility (i.e. upgrading to high efficiency boilers at a business's factory or purchasing a zero-emission electric vehicle

\*Creating or expanding a business that manufactures clean energy products or their integral components (i.e. a manufacturer of electric vehicle batteries or their components) |

\* Creating or expanding a small business that offers clean energy services (or product sales and service) in the marketplace (i.e. a small business that improves building envelopes through the installation of more energy efficient insulation, windows, and other envelope components)

## **FEES**

Application fee: \$200.00, payable to UCEDA (Nonrefundable)

Closing fee: 1.5% (Nonrefundable)

Commitment fee: 1.0% (Nonrefundable)

## **BENEFITS TO PARTICIPATING IN ULSTER COUNTY'S REVOLVING LOAN FUND**

- UCRLF's lower rates may increase the number of for-profit and non-for-profits seeking market -rate financing terms from commercial lenders.
- UCRLF's subordinate position mitigates risk for participating co-lenders.
- Allows financial institutions to participate in initiatives aimed at fostering Ulster County's economic development.

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