

THE FUND

The Region 8 Revolving Loan Fund is a program where financial assistance is made available to qualified businesses in Grant, Hampshire, Hardy, Mineral, or Pendleton Counties. Businesses can borrow up to \$75,000 at low interest rates to finance qualified projects.

Preferred projects include those which create a significant number of jobs, involve high-tech firms and/or result in higher than average wages.

ESSENTIAL RULES

- All projects must result in job creation or retention
- The RLF must maintain a ratio of two private dollars invested for every one RLF dollar.
- The RLF may not be used as a substitute for financing already available from primary lenders.

TERM OF LOAN

The maximum term for RLF loans varies according to the proposed use of funds. For land, building and permanent fixtures, the maximum is 25 years. For equipment, the limit is either 10 years or the useful life, whichever is less. The limit on working capital is one year. When appropriate, an "interest only" payment for up to one year may be allowed. The interest rate will be fixed for the loan's term.

INTEREST RATE

The RLF program is intended to provide an incentive for business development at the lowest reasonable interest rate. The minimum rate for a RLF loan is four percentage points below the prime rate as quoted in the Wall Street Journal, but not less than four percent overall. Each loan rate will be set by the RLF Board.

RLF LENDING POSITION

RLF loans are subordinate to the primary source of project financing. This second position serves to increase the borrower's equity with the primary lender and should reduce the lender's risk.

WHOM TO CONTACT

Whenever possible, prospective applicants are asked to contact the appropriate County Development Authority prior to making contact with Region 8.

Phone numbers are:

Grant	304-257-4550
Hampshire	304-822-4320
Hardy	304-538-6398
Mineral	304-788-3383
Pendleton	304-358-7573

Region 8
Planning and Development
Council
PO Box 849
Petersburg, WV 26847
304-257-2448

A CAUTIONARY NOTE

A project cannot begin before loan approval. All projects must start within 90 days of loan approval.

**FINANCING
FOR
GROWTH**

Region 8 Planning and Development Council
PO Box 849
Petersburg, WV 26847



**Planning
&
Development
Council**

**REVOLVING
LOAN
FUND**

What the Region 8 Small Business Loan Program Is

The West Virginia Development Office has funded the Region 8 Planning and Development Council Small Business Loan Fund. Using this loan fund, Region 8 will make loans to small businesses in Grant, Hampshire, Hardy, Mineral and Pendleton counties.

Possible Uses

Loans may be used to start a new business or for expanding an existing business.

Loan funds may be used for a wide variety of purposes including equipment purchase and working capital.

Loan Size

Loans can range from \$500 to \$10,000. The average size loan is expected to be between \$3,000 to \$6,000.



Loan Terms

The loan repayment will vary depending on the use of the funds. The maximum repayment period for a loan will be six years and the minimum period one year. (12 to 72 months)

Interest Rate

The interest rate will be fixed for all loans and shall not exceed 4.25 percentage points above the prime rate the day of the loan closing.

Eligible Businesses

Eligible businesses will be businesses that employ 10 or fewer persons; including self-employed individuals. The business must be organized on a for profit basis. The actual form of the organization (sole proprietorship, partnership, limited liability company or corporation) is not an eligibility factor.



Essential Rules

- ✧ In order to create banking relationships, the Small Business Loan fund will require all borrowers to maintain a positive checking and/or savings account in the businesses' name at a bank.
- ✧ Each applicant must meet with the Region's Small Business Development Center representative for an evaluation of their business procedures or for start up businesses to establish an operating procedure.
- ✧ All requests in excess of \$2,500 must be accompanied by a business plan.
- ✧ Businesses must be willing to use technical assistance programs offered by federal, state and local agencies.
- ✧ A project cannot begin before loan approval. All projects must start within 90 days of loan approval.



The Region 8

Small Business Loan Program

Region 8 PDC Council

PO Box 849

Petersburg, WV 26847

(304) 257-2448



Region 8 Planning and Development Council

Airport Road

PO Box 849

Petersburg, WV 26847



Grant

Hampshire

Hardy

Mineral

Pendleton

Counties