North Country Alliance
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Loan Fund Administration
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Regional Revolving Loan Fund

The North Country Alliance is a not-for-profit consortium of economic development and community organizations, private businesses, healthcare, educational institutions, media, etc. assisting business development in the North Country. Counties include Jefferson, Lewis, St. Lawrence, Clinton, Franklin, Essex and Hamilton.

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 rate is WSJ prime minus 1% with a 5% floor.
The interest rate is set at closing.

Use of Funds:
The Regional Revolving Loan Fund will make loans to rural business and community development projects.
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.

Loan funds are expected to:
1. Finance the establishment of a new business, or
2. Finance the expansion of existing business, 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.

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.

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

Fees:
A $200 non-refundable application fee and a commitment fee equal to the greater of $500 or 1.5% of loan. Closing costs are the responsibility of the borrower.

Regional Revolving Loan Fund Conditions:
- Minimum bank or non-public sector financing of 50% of the project.
- Minimum equity investment of 10%. (5% cash, 5% equity).
- Federal/State environmental clearance must be obtained.

Loan Sponsors:
Applications available from loan sponsors.
List of loan sponsors available online at www.northcountryalliance.org/ or by calling the phone number below.

Contact:
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