



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 Jeffer-

**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 WSJ prime minus one with a floor of 5%.

**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. Closing costs may be rolled into loan amount.

**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/](http://www.northcountryalliance.org/) or by calling the phone number below.

**Contact:**

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