

Types of Businesses Assisted

Industrial
Light Manufacturing
Service Industry

Types of Purchases

Machinery & Equipment
Fixed Assets
Working Capital

And help with

Start-ups
Expansions
Retentions

Incentives

Gap Financing
Below Market Interest Rate
Fixed Rate
Greater Bank Security

Revolving Loan Fund Program Terms

Rate: Fixed

Minimum interest rate allowed is 4%.

Most loans 4-6%

Job Creation :

\$10,000 per job (maximum RLF money per job created/retained).

Collateral :

General Security Agreement, UCC filing.

Personal Guarantee:

Required in most situations

Public Participation :

2:1 private to public financing required.

Term :

Not to exceed ten years

Equity :

10% equity injection is required.

PROCESSING TIME :

RLF loans usually parallel other sources of financing.

Henry County Courthouse
Rural Revolving Loan Fund
Third Floor / Lori Merrill
307 W. Center Street
Cambridge, IL 61238

HENRY COUNTY

REVOLVING LOAN FUND



Serving communities in
Henry County

(309) 937-3410

Contact Lori Merrill

Website

www.henrycty.com/rrlf

Email - lmerrill@henrycty.com

Hours by appointment

How does the Revolving Loan Fund Work?

The Henry County Revolving Loan Fund (RLF) program is available to all communities located within Henry County, Illinois.

Loan applications are prepared and submitted by the borrower and approved by a seven member board comprised of representatives throughout Henry County.

The RLF program is targeted to businesses that cannot obtain economically feasible financing because of conventional interest rates and lending/exposure limits applied by local lending institutions. It is the intent of the program funds that the RLF make the project feasible by filling the financing gap created by these conditions.

WHAT IS THE RLF?

The Revolving Loan Fund (RLF) uses capital provided by the Economic Development Administration and Henry County, for low interest loans to help qualified businesses locate, expand or remain in Henry County. These loans are supplemental, providing a portion of the total needed for a given project. The balance must be obtained through conventional sources, i.e. bank financing or equity. RLF loans may be used in conjunction with other financing programs, such as SBA 504 loans, State of Illinois economic development loans and assistance from private development groups.

WHAT IS ITS PURPOSE?

The RLF was established to create and retain jobs within Henry County. Thus, a condition of this financing is that a minimum of one job must be created or retained for every \$10,000 of RLF funds borrowed.

WHO CAN APPLY?

Just about any type of business within Henry County (other than very speculative ventures) may seek RLF assistance. The program is available to all industrial, manufacturing, service and commercial businesses.

WHAT CAN THE MONEY BE USED FOR?

The RLF monies can be used in a variety of ways. The funds can be used for the purchase of land and buildings, machinery and equipment, as well as for working capital.

HOW MUCH CAN BE BORROWED?

The maximum amount which can be obtained through the RLF is \$100,000. RLF can generally finance up to one-third (1/3) of a total project, and there must be a commitment in place for the balance, including 10% equity from the borrower.

WHAT IS THE INTEREST RATE AND TERM OF LOAN?

Loans have a flat rate of interest as established by the current prime rate. Typical interest rates range between 4% to 6%.

Terms of Loans are as follows:

	Amortization
Real Property	10 Years
Equipment / Inventory	5 to 7 years
Working Capital	7 Years

The maximum RLF loan period is ten years. The loan payback is generally structured according to what the monies are used for. For example, loans used for machinery and equipment costs generally have a 5-7 year payback. Loans for fixed assets usually run ten years. Working capital loans cannot exceed seven years.

HOW IS THE LOAN SECURED ?

All loans must be secured by collateral in an amount at least equal to the face value of the loan. Personal guarantees are also required by all principal shareholders owning over 20% or more of the business.

INCENTIVES

- **Below Market Rate**
- **Fixed Rate**
- **Greater Bank Security**
- **GAP Financing Requires Less Downpayment**
- **Easy Loan Process**

For More Information On

The Henry County
Revolving Loan Fund Program

Contact:

Lori Merrill
(309) 937-3410

Email: lmerrill@henrycty.com

Website :

www.henrycty.com/rlf

Another Informative Website

Henry County Economic
Development Partnership

www.hcedp.com
email: director@hcedp.com

Location :

The RLF Department
Third Floor - Room 306C
Henry County Courthouse
307 W. Center Street
Cambridge, IL 61238
Hours by appointment