

**CORTLAND COUNTY BUSINESS DEVELOPMENT CORP.  
REVOLVING LOAN FUND PROGRAM  
APPROVED DECEMBER 2017**

In its work to retain jobs, create jobs, and support community development, the Cortland County Business Development Corporation's Revolving Loan Fund provides an alternative for small business concerns unable to fully finance their projects with equity, conventional financing, or other private and public sources. The loan fund is available to new and existing businesses, and while it is not a substitute for conventional financing, it can fill the gaps in existing local financial markets and attract additional capital that would not otherwise be available for economic development.

The Corporation reserves the right to deviate from any of the following in cases that warrant exception as determined by the Board of Directors in its sole discretion.

**Eligible borrowers:** Eligible borrowers shall include those engaged in business for profit and conducting, or proposing to conduct, business in Cortland County. Retail businesses that can demonstrate a substantial amount of sales originating from outside of Cortland County will also be considered. Eligible applicants shall include sole proprietorships, partnerships, corporations and limited liability companies.

**Ineligible Applicants:** Members, directors, officers and employees of Cortland County Business Development Corp., the Cortland County Industrial Development Agency, the Corporation and any related local development corporation, including the immediate family members of any of the above individuals and any business entity which has as an owner any of the above individuals or their immediate family members.

**Loan Proceeds:** Loan proceeds may be used for the following: a) purchase of capital equipment; b) real estate acquisition and/or new construction; c) renovations and/or additions to facilities; d) inventory; and e) working capital.

**Eligible activities:** While impossible to state each eligible activity, they include but are not limited to: business acquisitions; manufacturing; acquisition, construction, renovation, leasing or development of real property; purchase or lease of equipment; pollution control and abatement; transportation services; agricultural production; convention centers or recreational facilities; startup operating costs and/or working capital; feasibility studies; reasonable professional fees related to eligible projects.

<b>Ineligible activities:</b>	Speculative activities (land banking and speculative buildings); purchase or finance of equity in private business; debt consolidation or refinancing; lending activities; gambling activities; charitable, religious or other not-for-profit activity; any illegal activity; and any activity which results in the relocation of a business out of Cortland County.
<b>Loan Size:</b>	The maximum loan allowable is \$100,000. The minimum loan allowable is \$10,000.
<b>Equity requirement:</b>	A minimum of 10% owner equity is required for all loans.
<b>Interest Rate:</b>	The interest rate for all loans is 6% fixed.
<b>Terms:</b>	Inventory/working capital – up to 2 yrs. Leasehold renovations – up to 5 yrs. Real property acquisition/new construction – up to 10 yrs. Purchase of capital equipment – useful life Loan terms may be blended if loan proceeds are for more than one use.
<b>Collateral:</b>	The Corporation shall coordinate with other participating lenders, if any, to obtain the best collateral position possible. If the borrower is a business entity, the Corporation shall require the personal guarantee of all owners of the entity. The Corporation shall require a mortgage to secure all loans related to the improvement of real property. The Corporation will require a credit report of the applicant, and reserves the right to additionally secure the loan by require the applicant to obtain a life insurance policy.
<b>Fees:</b>	\$225 non-refundable loan application fee payable to the Corporation. If the loan is approved, the borrower is responsible for the payment of all fees and expenses incurred by the Corporation in making and securing the loan, including the Corporation’s legal fees. The cost of the credit report is covered by the application fee.
<b>Application review:</b>	Applications are reviewed monthly by the Corporation loan review committee.
<b>Contact:</b>	Executive Director Tel. 607-756-5005; Fax: 607-756-7901 Email: <a href="mailto:garry@cortlandbusiness.com">garry@cortlandbusiness.com</a>

Note: The Cortland County Business Development Corporation Board of Directors expressly reserves the right to accept or reject any loan application and to approve or deny any loan request in its sole discretion.