

CITY OF ALLENTOWN ENTERPRISE ZONE REVOLVING LOAN FUND PROGRAM GUIDELINES

AEDC administers a Revolving Loan Fund Program for Enterprise Zone businesses. The purpose of the program is to assist in business development and to create and retain jobs within the Enterprise Zone in the City of Allentown

Eligible Borrowers:

Businesses located within the Enterprise Zone. Recipients will create a reasonable number of jobs within a reasonable time, will provide employment for enterprise zone residents where feasible, and /or otherwise provide tangible benefits to the zone in such matters as increased overall economic activity and/or enhanced economic environment of the zone.

Eligible Project Costs:

- a. Equipment purchases
- b. Improvements to real estate including leasehold improvements.
- c. Working capital.

Loan Structure:

- a. 1st lien security interest on equipment purchases.
- b. 1st or 2nd mortgage (may be shared position).
- c. Mortgage covering real estate or other unencumbered security must be available to back the loan.

Loan Amounts:

- a. Minimum loan: \$ 10,000.00
- b. Maximum loan: \$100,000.00
- c. Maximum up to 75% of eligible project costs (Subject to availability)

Loan Terms:

- a. 3-10 years, depending on asset life or lease term.
- b. Rates from 4.00% to 6.00% depending on creditworthiness.

Approval Criteria:

Evidence of sufficient cash flow to repay and sufficient collateral; personal guarantees shall be required; any necessary municipal permits must be in place before project starts; and all municipal taxes and fees (e.g. water and sewer) must be current.

Loan Fees:

\$300.00 application plus all legal and closing costs.

For additional information please contact:

Lewis Edwards

Director of Enterprise Development

Phone: 610-770-1015

Email: ledwards@allentownedc.com