



## **ENTERPRISE ZONE REVOLVING LOAN FUND PROGRAM GUIDELINES**

Allentown Economic Development Corporation administers a Revolving Loan Fund Program for Enterprise Zone businesses. The purpose of the program is to assist in business growth and development that creates and retains jobs within the Enterprise Zone of the City of Allentown.

### **ELIGIBLE BORROWERS:**

Eligible businesses include industrial, manufacturing, and technology-oriented businesses that are located within the boundaries of the Enterprise Zone. The businesses must be expanding, updating technology, creating and/or retaining existing jobs. Retail and commercial businesses are not eligible to apply for the Enterprise Zone Revolving Loan Fund.

### **ELIGIBLE PROJECT COSTS:**

- Acquiring machinery and equipment or equipment modernization
- Real estate improvements including leaseholder improvements, new building construction and building modernization.
- In special cases, limited inventory or working capital needs.

### **LOAN STRUCTURE:**

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

### **LOAN AMOUNTS:**

- \$10,000 to \$100,000 for up to 75% of eligible project costs (subject to fund availability)

### **LOAN TERMS:**

- 3-10 years, depending on asset life or lease term.
- Rates from 2.00% 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 Allentown Economic Development Corporation:

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