

Revolving Loan Fund

Regional Revolving Loan Fund:

Southeast Iowa Regional Planning Commission administers a loan fund available to qualified businesses in Lee County. The Revolving Loan Fund (RLF) assists eligible businesses in retaining and creating private sector job opportunities. Approved applications may acquire funds for initial loans, or for loans to buy down the principal or interest on commercial loans. The maximum (RLF) loan is \$125,000, at lower than conventional interest rates.

Keokuk Revolving Loan Fund:

The Keokuk Revolving Loan Fund is used to make low interest loans up to \$25,000 for gap financing to qualifying individuals, partnerships, or corporations that want to start a new business in Keokuk. The RLF is a community financing tool used to encourage small business development and entrepreneurship, and is administered through the Southeast Iowa Regional Planning Commission (SEIRPC). The Keokuk RLF was created by the City allocating \$100,000 and a USDA_RD grant of \$99,000. Funds are used in conjunction with local lenders to serve as gap financing for proposals and the lender serves as the primary source of funding. As loan payments are made, and monies are repaid to the pool, the fund revolves back out to other candidates for the program.

Eligibility is based on the following:

- Startup or expanding business in the city limits
- Applicant must be creating or retaining jobs
- Applicant must demonstrate the need for gap financing or local match funding
- Applicant proposal will support and enhance the local economy

Financial Assistance:

- Maximum loan award - \$25,000
- Cost per Job - \$10,000
- 5-7 year term on fixed asset loans
- 10 year maximum on real property loans
- Competitive interest rates
- Loan closing fee of \$250

Fort Madison Revolving Loan Fund

The Fort Madison Revolving Loan Fund is used to make low interest loans (4%) for gap financing to qualifying individuals, partnerships, or corporations that want to start a new business in Fort Madison. The fund is specifically targeted toward commercial and service sector proposals, and is administered through the Southeast Iowa Regional Planning Commission (SEIRPC). The city forged a public-private partnership with SEIRPC, the Fort Madison Chamber of Commerce and local banks to establish this fund. The Fund was capitalized with \$200,000 from the city's gaming revenues. The city's investment has leveraged \$800,000 in low interest loan money pledged by four different banks. Local banks are the



primary lenders for the business start-ups. As loan payments are made, and monies are repaid to the pool, the fund revolves back out to other candidates for the program.

Eligibility is based on the following:

- New business in the commercial sector
- Applicant must be creating or retaining jobs
- Applicant must demonstrate the need for gap financing
- Applicant proposal will support and enhance the local economy

Financial Assistance:

- Maximum loan award – \$25,000
- Cost per Job – \$10,000
- 5-7 year term on fixed asset loans
- 10 year maximum on real property loans
- Minimum interest rate will be 4 points below prime with a floor of 4%
- Loan closing fee of \$250