

Weld/Larimer REVOLVING LOAN FUND

A fund administered by *Upstate Colorado Economic Development*

Program Summary

The Weld/Larimer Revolving Loan Fund (“RLF”) was established to assist with the financial needs of companies expanding or locating to the rural areas of Weld or Larimer County. The Program was originally funded through the State of Colorado Community Development Block Grant Allocation from the US Department of Housing and Urban Development (“HUD”). Upstate Colorado Economic Development administers the RLF on behalf of the two counties.

The RLF can provide short-term financing for up to 45% of project costs, and may assume a second or third collateral position in order to leverage other lender involvement. The minimum loan amount is \$50,000. Based on the financial needs of the applicant, the use of the borrowed funds and the borrower’s credit history, typical terms will be for a term of 5-7 years and interest rates will be based on the consumer prime rate (currently 8.25%)

Since the program was started in 1991, the RLF has loaned a total of \$12.8 million to a total of 76 companies. These loans leveraged more than \$102 million in capital investment and enabled those companies to create or retain 1,688 full-time employees.

Program Priorities

Any business that meets the following criteria:

- Is a private, for profit organization.
- Is located in, considering locating in, or expanding in rural Weld or Larimer County, except within the cities of Greeley, Fort Collins or Loveland, (those are “entitlement” cities that receive their own HUD block grants for economic development)
- Is considered to be a “primary” industry (i.e. manufacturing, R&D, processing, distribution, etc.) These businesses will be given priority. However, retail or service businesses are eligible.
- Can demonstrate that the project being funded is creating new jobs, retaining jobs, or that the principal beneficiaries of any jobs created/retained are low to moderate income persons. For each \$20,000 in RLF funds loaned to a business, one new job must be created or retained.

Loan/Guarantee Terms

- Short-term financing or loan guarantee for up to 45% of total project costs. Remaining project costs to be funded through banks, private investors or other loan programs (SBA guaranteed loans, etc.).
- Minimum loan amount - \$50,000; maximum loan amount - \$500,000
- Maximum loan term 7 years. (may consider loans with up to 15 year amortization schedule with a balloon payment at end of 7 years)
- Interest rates - negotiable based on the national prime rate.
- Loan collateral - considered on a case-by-case basis. The RLF may assume a 2nd or 3rd position in order to leverage other lender involvement.
- Personal guarantees or co-signatures from the borrowers are required.
- At least 10% of the project cost or market value must be invested by the borrower.
- Origination/closing fee equal to 2% of the loan amount or guarantee.
- Non-refundable \$100 loan application fee.
- See the [RLF Application Form](#) and [RLF Application Instructions](#)

