

# Revolving Loan Fund (RLF)

The Revolving Loan Fund (RLF), administered by the East Central Iowa Council of Governments (ECICOG), has provided over \$3 million in loans, which have leveraged an additional \$29 million in matching loans, for businesses within a six county region. These loans assist new and existing businesses in development and expansion within Benton, Cedar, Iowa, Johnson, Linn and Washington counties.

The RLF has already provided 27 loans to businesses for a variety of reasons. Businesses like Brewed Awakenings, Inc. and Happles Gourmet Foods were awarded loans for expansions and additions to their businesses; Ovation Networks, Inc. received a loan for flood recovery; and Little Cupcakes Child Care, LLC received a loan for their business start-up.

The loan funds are used in conjunction with local lenders to serve as gap financing for proposals, where the lender serves as the primary source of funding. The program offers a maximum loan award of \$250,000, however, the average is around \$5,000 per job. As the loans are repaid, the fund revolves back out to other candidates for the program.

To be eligible for the loan, a business must be new or expanding, be creating or retaining jobs, and be located in the six-county area of East Central Iowa. The business must also show that there is a need for gap financing and that their proposal will support and enhance the regional economy.

The loans are fixed asset loans that range from five to seven years, with a ten-year maximum on real property loans, and all loans have competitive interest rates. There is also a loan closing fee of 2% of the loan award.

If you are interested in applying to the program, applications are available at your local lender or from the ECICOG. For an application from ECICOG or for any additional questions, please contact Doug Elliott at [doug.elliott@ecicog.org](mailto:doug.elliott@ecicog.org) or 319-365-9941 ext. 122.