

## Small Business Fund-Microloans

*The NARCOG Small Business Fund is a locally controlled source of capital used to finance start-up and expanding businesses whose projects will result in job creation, leverage private sector investment, and reduce unemployment in Cullman, Lawrence, or Morgan Counties.*

### Microloans

- Provide financing for businesses whose projects may not be a fit for traditional financing
- Assist small business owners in their quest to become “bankable”
- Loan Ceiling: \$50,000

### How can funds be used?

- Purchase real estate / fixed assets
- Purchase machinery/equipment/inventory
- Provide for working capital

### Terms

- Real Estate/Fixed Assets: Up to 5 years
- Machinery/Equipment/Inventory: Up to 5 years
- Working Capital: Up to 5 years

### Interest Rate

Competitive rate set by the Loan Review Committee

### Borrower

Equity injection – at least 10% required

### Approval

Subject to approval of seven-member Loan Review Committee

**North Central Alabama Regional Council of Government**

216 Jackson St. SE, P.O. Box C  
Decatur, AL 35602  
256.355.4515  
[www.narcog.org](http://www.narcog.org)



## Small Business Fund-Traditional Loans

*The NARCOG Small Business Fund is a locally controlled source of capital used to finance start-up and expanding businesses whose projects will result in job creation, leverage private sector investment, and reduce unemployment in Cullman, Lawrence, or Morgan Counties.*

### How can funds be used?

- Commercial Real Estate (new construction or renovation)
- Machinery & Equipment
- Working Capital

### Attractive Interest Rates & Terms

- Interest Rates: Varies (typically 5% but varies)
- Real Estate: Up to 25 years
- Equipment: Up to 10 years
- Working Capital: Up to 5 years

### Bank Participation

The Traditional Small Business Fund Loan purpose is to provide “gap financing” after the bank and applicant have reached their financial limits. Letters from the bank requesting NARCOG participation for financing are required as part of the application process.

### Approval

Subject to approval of seven-member Loan Review Committee

### Loan Size

Typically, \$10,000 to \$100,000

### Loan Guidelines

- NARCOG can finance up to 33% of total project
- Business plan, financial projections, and financial statements required for application
- Must result in retention or creation of permanent job(s)
- Business owner must provide 10% equity injection
- Must be credit-worthy
- Hazard and key man insurance required
- Standard underwriting principles apply

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Positively Impacting People and Communities