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
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