

***Dothan-Houston
County
MICROLOAN
Program***



Dothan Area Chamber of
DOTHAN AREA CHAMBER OF COMMERCE



*program for
startup businesses,
expanding businesses
& entrepreneurs*

This program was developed by a joint effort of the Dothan Area Chamber of Commerce, Southeast Alabama Regional Planning and Development Commission, area lending institutions, the Houston County Commission and the City of Dothan. The administration of this program is through the Southeast Alabama Regional Planning and Development Commission and its Loan Administration Board.

Marketing and technical support will be provided jointly by the Southeast Alabama Regional Planning and Development Commission and the Dothan Area Chamber of Commerce. Additional support and services will be provided and available through Troy University's Small Business Development Center.

Founding partners and funding for this program provided by:

Wachovia Bank, NA

Regions Bank

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Compass Bank

MidSouth Bank, NA

PeoplesSouth Bank

Ameris Bank

**Dothan Area
Chamber of Commerce**

Dothan By Design

The Wiregrass Foundation

**Southeast Alabama Regional
Planning and Development Commission**

The information presented in this brochure is for program marketing and informational purposes. For more details on the Dothan-Houston County Microloan Program call or write:

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What is the MICROLOAN Program?

The Dothan-Houston County Microloan Program is a locally controlled source of capital used to finance startup, expanding businesses and entrepreneurial projects in the Dothan-Houston County area. The Microloan Program is available depending on project needs. Projects must meet program guidelines and be creditworthy.

The Dothan-Houston County Microloan Program will provide direct and gap financing to small businesses and individuals that are sound and growing, but cannot obtain adequate financing to carry out a new or expanding project. Loans will be available from \$4,000 to \$20,000, or up to a maximum of 90% of the project cost. Working capital loans will be limited to 50% of the Microloan portfolio, and must be repaid within five years.

The Microloan Program requires owner's equity as a part of the project financing. As borrowers repay their loans, the principal and interest are returned to the fund for lending to other businesses to create more jobs and investment opportunities.

MICROLOAN Guidelines

- Business start-up or expansion must result in the creation/retention of permanent jobs.
- Jobs created should meet the minimum per job threshold value of \$10,000.
- Businesses must provide 10 - 25% of the project cost in cash equity.
- Interest rates will be New York prime plus 2% to 4%.
- Loan terms available up to seven years on fixed assets and five years on working capital.
- Principals and business must be creditworthy and generate sufficient cash flow to repay debt.
- Principals of the business must furnish personal guarantees.
- Borrowers are responsible for all legal costs associated with the loan closing.
- Borrowers must pay a one time processing fee of 1.5% of the loan due at the time of closing.
- Businesses can be located within Barbour, Coffee, Covington, Dale, Geneva, Henry, and/or Houston Counties.
- ***Special Exception:*** County municipalities may utilize these funds to help match federal and state grant programs that support and assist with job creation.

Eligible businesses:

- Small manufacturing companies and service related companies.
- New and emerging industries and new technologies that have a uniqueness that will add value to the regional rural economy.
- Other businesses that may help the area improve its development potential where such assistance is needed.

Eligible uses:

- Construction, expansion, renovation, modernization or development costs.
- Purchase of equipment, machinery and supplies.
- Permanent working capital.

Loan advantages:

Interest Rates - Interest rates will range from New York prime plus 2% to 4%.

Terms - Fixed asset financing will be structured to cover the economic life of the asset. Up to five years for permanent working capital and seven years on equipment. No penalty for early repayment.

Local Control - Loan decisions are made locally by the SEARP&DC Loan Administration Board, which is representative of the regional community. *Local emphasis means faster response to loan requests and minimized "red tape."*