

Economic Development Services Provided by WARC

- Information on business assistance programs
- Grant and loan preparation and administration including funds from the Alabama Department of Economic and Community Affairs, Appalachian Regional Commission, Delta Regional Authority, Economic Development Administration and others
- Site improvement grant applications
- Industrial access road fund applications
- Water and sewer infrastructure grant and loan applications
- Mapping and socioeconomic data
- Zoning regulations

Funding for the RLF comes from the State of Alabama

About Us

The West Alabama Regional Commission is one of the 12 regional councils in the State of Alabama. The councils serve local governments and citizens by coordinating region-wide projects and services, promoting cooperation among the local governments, and carrying out state and federal programs on a regional basis. WARC serves Bibb, Fayette, Greene, Hale, Lamar, Pickens and Tuscaloosa counties.



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Publication of this brochure was made possible with funding through the United States Economic Development Administration's CARES Act Recovery Assistance Grant.



RLF

West Alabama
Regional Commission
Revolving Loan Fund

Revolving Loan Fund (RLF)

The West Alabama Regional Commission's RLF is a locally controlled loan program used to assist small local businesses and industries in their start-up and expansion activities. The goal of the program is to create new, permanent jobs for citizens of West Alabama while leveraging private sector investments. The RLF provides gap financing that is not available from commercial lenders. As the loans are repaid, the principal and interest are returned to the fund for lending to other businesses to create still more jobs and investment opportunities.

Who is Eligible?

Businesses and industries located in Bibb, Fayette, Greene, Hale, Lamar, Pickens and Tuscaloosa counties are eligible.

Targeted businesses are:

- Small manufacturing companies
- Retail Businesses
- Service Businesses

What Can Funds be Used for?

- Purchase land and buildings
- Construct buildings
- Renovate buildings
- Purchase equipment
- Provide working capital

General RLF Guidelines

- Businesses must be located in Bibb, Fayette, Greene, Hale, Lamar, Pickens, or Tuscaloosa counties. Projects relocating from within the region are prohibited.
- Borrower must create (or retain) jobs: Goal of one job per each \$10,000 borrowed.
- The RLF can fund up to 35% of the total project.
- Businesses must provide at least 10% of the project cost.
- Loans available from \$25,000 to \$250,000.
- Fixed Interest rate.
- Flexible terms: fixed assets up to 10 years, working capital up to five years. No penalty for early repayment.
- Principals and businesses must be credit-worthy and generate sufficient cash flow to repay the debt.
- Principals of the business must provide personal guarantees.
- Borrower is responsible for customary closing costs and all legal fees as required.
- Micro-loan option for requests of \$25,000.

Borrower must pay a one-time non-refundable application fee.
See www.warc.info for application forms.

Commercial Lender Participation

The RLF was not established to compete with the private lending community or to be a lender of last resort. The fund was set up to provide gap financing between a borrower's equity and a loan from a commercial lender.

Interest Rates

Rates on WARC's loan fund will generally be below the prime rate. By combining WARC and bank financing, the borrower can usually have an effective rate below the market rate.

Local Controls

WARC's RLF is controlled by a local Loan Review Committee. The committee is made up of representatives in all seven counties in the West Alabama Region. All funding decisions are made by the committee. This provides for a faster response time to loan requests. Normally, loans will be processed within one month of the submission of a completed application.

Committee Meetings

The Loan Review Committee will meet as needed to consider loan applications.