Rangeley Lakes Region
Micro-Loan Program Guidelines

Purpose

To provide affordable financing to new and existing businesses in the Town of Rangeley and the Plantations of Rangeley, Sandy River and Dallas.

Lending Criteria

◆ Applicants for Micro-Loan funds must be an owner, partner, chief executive officer or have power-of-attorney to apply for financing.

Eligible Activities

Types of activities that can be financed with Micro-Loan funds include, but are not limited to:

- ◆ Real property acquisition, construction or rehabilitation, which is essential to the operation of the business;
- ◆ Capital equipment;
- ◆ On-site utilities;
- ◆ Inventories;
- ◆ Working capital.

Need for Financing

◆ Each application will be reviewed by the Loan Review Committee to determine that financing is necessary in order for the project to be viable. Micro-Loan funds cannot be substituted for available bank financing or personal resources of the owner.

Amount of Financing and Terms

- ◆ Loans can be a minimum of $2,000 and a maximum of $25,000. Interest rates will be fixed at 1% above prime rate. The term will not exceed 10 years. A monthly amortization schedule will be required unless another appropriate method is deemed suitable by the Loan Review Committee.

Fees

- ◆ A $50.00 application fee will be paid after the pre-application phase and before the final application phase. The applicant will pay all recording fees upon approval of loan applications.

Equity Requirements

◆ Loans that exceed $15,000 will require a dollar-for-dollar match of money for the portion that exceeds $15,000. Other loan conditions may apply as established by the Loan Committee.

Amount of Financing per Job Created/Retained

◆ Loans in any amount up to $7,500 will be expected to create/retain a minimum of one (1) part-time job (16 to 31 hours per week).
◆ Loans of $7,500 to $15,000 will be expected to create/retain a minimum of one (1) full-time (32 hours per week or more), or part-time equivalent.
◆Loans of $15,000 to $25,000 will be expected to create/retain one (1) full-time and one (1) part-time job or part-time equivalents.

Collateral Requirements

◆ All loans must be 100% secured with sufficient collateral. Collateral may be in the form of land, buildings, equipment and other assets that have enough equity value to match the loan.

Application Costs

◆ Any costs incurred by the applicant in preparing documentation for the application to the Micro-Loan program will be borne by the applicant as well as any costs associated with legal document preparation, review, recordings, filing and closing documents. Program staff can provide some assistance with the application process and provide referrals to free business assistance services.

Penalties

◆ A late payment charge of five percent (5%) of the loan payment will be added in the event a loan payment is fifteen (15) days in arrears.

For more information on the Rangeley Lakes Region Micro-Loan Program or to obtain an application, please contact: Karen Olivieri, Rangeley Town Office at (207) 864-3326 or write to P.O. Box 1070, Rangeley, ME 04970.