

Revolving Loan Summary

Eligibility Basics:

- Gross revenue in the business must be less than \$1 million
- The business has 50 employees or less
- Must be physically located in the City of Tipton (exceptions possible based on circumstances)
- Business must be owned by US citizens or reside in the US after legal admittance for permanent residence

Can be used for:

- Acquisition and development of land, easements and right-of-ways
- Construction, conversion, enlargement, repairs or modernization of buildings, plants, machinery, equipment access streets and roads, parking areas, and utilities
- Loans for startup operating costs or working capital
- Technical assistance for private business enterprises

The City of Tipton and the United States Department of Agriculture are Equal Opportunity Providers.

El Ciudad de Tipton y el Departamento de Agricultura de los Estados Unidos son Proveedores de Igual Oportunidad.



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City of Tipton Revolving Loan Program



Revolving Loan Fund Background, Purpose and Process

Background

The Revolving Loan Fund is designed to assist small businesses create or retain jobs. The fund is provided for by a grant from the United States Department of Agriculture Rural Business Enterprise Grant and the City of Tipton. The grant is administered through the Community Development Office.

Purpose

The Revolving Loan Fund will assist small businesses in creating or retaining jobs in the community. The goal of the program is to create or retain one job for every \$10,000 loaned into the community.

Process

Each application will be reviewed and approved by a Loan Committee designated by the City Council. The committee receives a financial grade from a group of bankers who review the financial standing of each application. Final approval will be made by the City Council and the USDA.

Eligibility Requirements

- Gross revenue in the business must be less than \$1 million
- The business has 50 employees or less
- Must be physically located in the City of Tipton (exceptions possible based on circumstances)
- Business must be owned by US citizens or reside in the US after legal admittance for permanent residence

Eligible Projects (include, but not limited to)

- Acquisition and development of land, easements and right-of-ways
- Construction, conversion, enlargement, repairs or modernization of buildings, plants, machinery, equipment access streets and roads, parking areas, and utilities
- Loans for startup operating costs or working capital
- Technical assistance for private business enterprises

Ineligible Activities

- RLF funds cannot be used to produce agriculture products through growing and cultivating. Exceptions include commercial nurseries, greenhouses or other limited agricultural production
- Financing area-wide comprehensive planning is not eligible

- RLF funds will not be used to fund part of a project unless there is a firm commitment of the other funding to ensure completion
- RLF funds cannot be used to pay off any previous debt

Other Information

- Evidence must be presented that indicates that the RLF is necessary to make the proposed project feasible
- Loans will typically be between \$2,500 to \$10,000. Smaller or larger loans will be considered on a case by case basis.
- The Loan Committee will determine the length and interest rate of loans
- A processing fee will be applied as .5% added to the interest rate

For more information or an application contact:

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