

BOLTON COMMUNITY DEVELOPMENT PROGRAM

Terms and Regulations

Program Mission Statement

The Bolton Community Development Program (BCDP) is a revolving loan fund that seeks to leverage private equity for economic development that promotes and results in sustainable economic growth, job creation, expanding tax base, and a year-round community.

1. Program Requirements

- a. The assistance must meet the goals and objections of the BCDP Mission Statement.
- b. Loans approved will be the minimum amount necessary to support the project.

2. Eligibility

- a. Project must be located in the Town of Bolton.
- b. Businesses must be engaged in manufacturing, industrial, wholesale, technology, service (non-professional) retail and non-retail commercial/service. This list is not all inclusive.
- c. Loans can be used for purchase of and improvements to fixed assets (such as real estate, buildings, machinery and equipment).
- d. Refinancing of existing loans is not eligible; nor are lines of credit, bridge loans, private housing or government projects. This list is not all inclusive.

3. Loan Terms & Rates

- a. Up to 30% of the total project cost, with a minimum loan of \$5,000.00 and a maximum loan of \$250,000.00.
- b. Minimum of 20% cash equity contribution by the borrower toward total project cost is required.
- c. Maximum length of loan term years is seven (7).
- d. Interest rate to be determined at the time of closing of the loan.
- e. Public funds from other programs can be used for the balance of the project.
- f. The intent of the BCDP is to facilitate the project, therefore, loan terms are negotiable.
- g. No prepayment penalties will be assessed.
- h. Borrower is responsible for all closing costs.

4. Collateral

- a. BCDP loans are secured by either a first or second mortgage on real property being financed.
- b. Security interest in machinery & equipment, accounts/ receivable, and inventory, subordinate only to a bank.
- c. Personal guarantees are required.

5. Application Process

See Loan Application Instructions and Procedures which are part of the Loan Application Packet.