



Marengo Revolving Loan Fund



Revolving Loan Fund

The City of Marengo has a Revolving Loan Fund to provide financial assistance to new or expanding businesses and to help develop a stronger economic base and expand job opportunities thus securing public benefit for all residents of Marengo.



Goals:

1. Assist new or existing businesses in the City to create and retain jobs.
2. Increase the City's property tax and/or sales tax base.
3. Provide businesses with the opportunity to expand.
4. Encourage loans to businesses from area financial institutions by providing supplementary financing.

Eligible Borrowers:

Any Business that is located in or expanding in the City of Marengo and creating or retaining jobs.

Eligible Uses:

1. Construction of building or addition to building.
2. Renovation of existing building.
3. Leasehold improvements.
4. Purchase of new or used machinery and equipment.
5. Working capital.

Job Requirements:

1. A minimum of two Full Time Equivalent (FTE) jobs must be created or retained.
2. 51% of these jobs must be available to low-to-moderate income households.

Loan Criteria:

- Amount - Loans can range from \$30,000 to \$150,000 and are based on an eligibility of \$15,000 per full-time equivalent job that will be created or retained.
- Amount cannot exceed 45% of the cost of the project.
- Collateral - Must be secured with adequate Collateral (Will subordinate to bank if necessary).
- Terms - Maximum of 5 years. Interest Rates will vary with the U.S. Treasury. Interest rates are typically less than traditional bank financing.
- Guarantees - Personal guarantees of the principals will be required.
- Repayment - Monthly payments of principal and interest will be required.
- Fees - \$100 Application Fee (non-refundable). Borrower will be responsible for any expenses incurred by the City, such as filing fees, document preparation, recording fees, etc.

Applications and information are available from local financial institutions or from the following:

Marengo City Administrator,
(815) 568-7112
132 East Prairie Street
Marengo, IL 60152
www.cityofmarengo.com

Marengo Union Chamber of Commerce,
(815) 568-6680
116 South State Street
Marengo, IL 60152
www.marengo-union.com

Above information is subject to change.