

**THE OFFICE OF ECONOMIC AND COMMUNITY DEVELOPMENT
CITY OF BRADFORD**

INTERMEDIARY RELENDING PROGRAM

Eligibility:

Eligible applicants for the Intermediary Relending Program include businesses located in the City of Bradford, Bradford Township, Foster Township and Borough of Lewis Run. Participants may request additional loans for subsequent investment, however, approval is based on fund availability and first-time borrower projects will be given preferential treatment over those of previous IRP loan recipients.

Purpose of Program:

The purpose of the program is to stimulate private investment through the expansion of existing businesses or the startup of new businesses. Investment will improve the overall economic conditions, primarily, employment opportunities, stimulate business activity or increase real estate tax income.

Use of Funds:

IRP Loan funds can be used for land acquisition and site development, building construction and renovation, interim or bridge financing, machinery and equipment, and working capital.

Service Area:

City of Bradford, Bradford Township, Foster Township and the Borough of Lewis Run.

Credit Score:

Applicant must have a minimum credit score of at least 650.

Interest Rate:

3-5%.

Term:

Some flexibility, but generally real estate – 15 years, machinery and equipment – 5-10 years or no longer than the useful life of the machinery, working capital – 3 to 5 years.

Fees:

A 1% fee on the loan request (\$250.00 minimum) is required at the time of application. The fee will be used to defray the costs of credit reports, payment books, document preparation, legal fees, collateral filing fees, etc. An annual service fee of \$100.00 will be assessed in January of each year. Applicants are responsible for all recording/filing fees (i.e., record mortgage, file UCC-1, etc.).

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the Secretary of Agriculture, Washington, DC 20250

The City of Bradford is an Equality Opportunity Lender, Provider and Employer

Insurance Requirement:

- Hazard Insurance with a standard mortgage clause naming the City of Bradford – OECD as beneficiary.
- Flood insurance if located in 100 year flood boundary.

Project Funding:

Generally, the maximum loan amount is equal to or less than one-third (33.3%) of the hard costs of the project. Exceptions may be made based on the economic impact of the project.

Business Plan:

New business applicants are required to submit a business plan that includes financial projections. Applicants are referred to the Small Business Development Center (SBDC) at Clarion University (814-393-2060 or toll free at 877-292-1843). There is no charge for the assistance.

Existing businesses are required to submit two years of financial statements and/or 2 years of their Federal Income Tax Return.

Application Process Requirements:

Application form, business plan, business and personal financial statements/income tax return. A credit report is obtained from The Credit Bureau of Erie Pennsylvania and inquiries are made to the city of Bradford and McKean County offices. City utilities including water, sewer and garbage must be paid up along with all city, county and school real estate taxes to receive loan approval.

Collateral:

The OECD will secure each loan to the maximum extent possible while striving to leverage funds from other sources. Through security agreements may take position in real estate (appraisal required), equipment and machinery, inventories and receivables, and may request personal guarantees.

Employment Requirement:

Must create or retain 1 job for each \$10,000 borrowed.

Monitoring and Reporting Requirements:

Recipients of the Economic Development Loan Funds will provide, upon request, quarterly or monthly financial statements, yearly financial statements, annual audit, annual performance cash flow, etc.

Equal Opportunity and Nondiscrimination Requirements:

The recipient will not discriminate against any employee on the basis of sex, marital status, race, color, religion, national origin, age, physical or mental disability.

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Handicap Accessibility:

The recipient's office facilities and all places where the recipient meets with the public must be accessible to the public where physically handicapped persons may be employed or visit. The office layout must be in compliance with the Uniform Federal Accessibility Standards (UFAS) or the Americans With Disabilities Act (ADA), as appropriate. If the office is not currently in compliance, a transition plan must be developed to bring the office in compliance over a one-year period of time.

Environmental Requirements:

At the earliest possible planning stage, determine the potential environmental impact to minimize the potential to adversely impact the environment. The recipient must cooperate and furnish such information and assistance to make any environmental determinations.

Contact:

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