



Revolving Loan Fund Program

The **DeSoto Chamber of Commerce & Visitor Center**, in partnership with the **DeSoto Economic Development Corporation**, administers the **Revolving Loan Fund (RLF)** program for small and medium sized businesses in DeSoto. This program provides direct loans for businesses that cannot meet their entire financing needs through conventional sources of financing from banks and other financial institutions. In administering this program, the **DeSoto Chamber** works closely with the banks through-out DeSoto to meet the financing needs of DeSoto businesses.

The financing will help to provide long-term economic growth through job creation and retention, which in turn will help local businesses grow, helping to eliminate long-term unemployment problems.

Ultimately, the **RLF program** will diversify the local economy by providing capital for a broad range of businesses. **RLF** financing will fill a gap that exists because of lack of access to other sources of financing.

RLF Criteria

The following criteria will be evaluated when considering loans:

- Number and type of jobs created/retained
- Wage levels proposed for the jobs
- Special consideration for jobs created in targeted job markets
- Project pro-forma and financial feasibility for the project

Use of Loan Funds

The highest priority for financing will be projects that create new full-time base jobs in DeSoto. Applications will be encouraged from minority and women residents and minority and women-owned businesses that are seeking to start or expand a business. In addition, credit-worthy start-up ventures with promising business plans will be encouraged to apply for financing through the **RLF**.



Loan Amounts

The maximum loan amount from program funds is **\$50,000** for non-primary job creators and **\$150,000** for primary job creators. The minimum loan amount is **\$5,000**.

Job Creation and Retention

Preference will be given to projects that retain existing jobs and/or create new jobs. The goal of the **DeSoto Chamber of Commerce** and the **DeSoto Economic Development Corporation** is to create or retain one full-time job for each **\$10,000** of loan funds that are invested.

Loan Terms/Rates of Interest

Loans are available for **12-36 months** for working capital loans and **3-7 years** for fixed asset loans, with the rate ranging from **3%-6%** simple interest.

Security

The standard collateral requirements of the **RLF** will require personal guarantees, promissory notes and insurance – including personal life, flood, title, and hazard. A determination will be made regarding the appropriateness of these requirements based on the project being financed. An equity injection of **10%** shall be required from the borrowed, where it is a new business or an existing business. This requirement is for both fixed asset and working capital loans.



Loan Application Review & Approval

The loan review process consists of the completion of a loan application by the business followed by a review by **DeSoto Chamber of Commerce** staff, which then makes a recommendation to the **RLF Loan Committee**. The Loan Committee then makes a recommendation to the **DeSoto Economic Development Board**. The Committee consists of five individuals from DeSoto who represent financial institutions, the business community, and the public sector. Decisions of the **DeSoto Economic Development Corporation Board of Directors** are considered final.

*For additional information about the Revolving Loan Fund Program,
or to obtain a copy of the loan application, please contact:*

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