

## HISTORY AND STATEMENT OF PURPOSE

Established in 1969, Beartooth Resource Conservation and Development Area, Inc. serves as a regional vehicle for the cooperative efforts of 5 counties in South Central Montana to improve economic and social conditions through conservation, utilization and development of the natural and human resources of the area. The leadership of this non-profit corporation is comprised of elected officials and community leaders from the counties, incorporated towns and cities, conservation districts and tribal reservations. In 1996, the Economic Development Administration of the US Department of Commerce designated Beartooth RC&D the Economic Development District for the region.

The purpose of the Beartooth Revolving Loan Fund is to encourage and accelerate economic development activities in the counties served. The role of the RLF is to provide gap financing to individuals and businesses who would find it difficult to meet conventional underwriting standards. Job creation is the primary goal, especially by providing employment to those in low and moderate income categories. The RLF is not an alternative to private lenders or equity capital as most loans are a combination of all three.

### *Beartooth RC&D Area, Inc.*

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<http://www.beartooth.org>

# *Beartooth*

## Revolving Loan Fund



Cattle Development Center- Custer



Perfection Cycle- Bridger



Fireline- Fishtail



Crazy Bean- Big Timber



Floral Expressions- Hardin

- CITIZENS BUILDING STRONGER COMMUNITIES -

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# Beartooth

## REVOLVING LOAN FUND SUMMARY

	Intermediary Relending Program (IRP)	CDBG/RLF Loan Program	EDA/RLF Loan Program
<b>Purpose</b>	Finance business facilities and community development projects in rural communities	Create or retain jobs for low to moderate income families in non-metropolitan communities	Assist economically distressed areas in the creation and retention of jobs
<b>Eligibility</b>	Borrowers must be (1) located within Beartooth Economic Development District (2) unable to obtain reasonable financing elsewhere and (3) located in an unincorporated area or a town with a population of 25,000 or less	Borrowers must be (1) located within Beartooth Economic Development District, (2) unable to obtain reasonable financing elsewhere, and (3) benefit lower-income people when 51% of resulting full-time jobs are either filled by or available to them	Borrowers must be (1) located within Beartooth Economic Development District excluding Yellowstone County), (2) unable to obtain reasonable financing elsewhere and (3) create jobs, especially for low income groups, expand tax base or develop new technology or processes
<b>Borrowers</b>	Any business or community based project	Any business or corporation	Any business or corporation
<b>Uses and Term</b>	Working Capital - up to 5 years Business Equipment - 3-7 years Land and Buildings - up to 15 years Line of Credit - up to 5 years	Working Capital - up to 7 years Business Equipment - 3 to 10 years Land and Buildings - up to 20 years	Working Capital - up to 7 years Business Equipment - 3 to 10 years Land and Buildings - up to 20 years
<b>Amount</b>	Maximum: \$ 150,000	Generally between \$ 50,000 – \$ 100,000	Generally between \$ 25,000 – \$ 100,000
<b>Interest Rate</b>	We try and match the rate and term that your bank is using. It is also dependent on risk and collateral.	We try and match the rate and term that your bank is using. It is also dependent on risk and collateral.	We try and match the rate and term that your bank is using. It is also dependent on risk and collateral.
<b>Fees</b>	Origination fees range from 1–5%, typically 2%  Late fees are 1% or \$50, whichever is greater	Origination fees range from 1–5%, typically 2%  Late fees are 1% or \$50, whichever is greater	Origination fees range from 1–5%, typically 2%  Late fees are 1% or \$50, whichever is greater
<b>Equity</b>	Minimum: 10%	Negotiable—Target: 20–25%	Negotiable—Target: 20%
<b>Collateral</b>	Determined on a case by case basis, can be 1st or 2nd position on business assets or personal assets	Determined on a case by case basis, can be 1st or 2nd position on business assets or personal assets	Determined on a case by case basis, can be 1st or 2nd position on business assets or personal assets
<b>Guarantees</b>	Usually required of 20% or greater owners and/or if collateral or business case warrants guarantees	Usually required of 20% or greater owners and/or if collateral or business case warrants guarantees	Usually required of 20% or greater owners and/or if collateral or business case warrants guarantees

### Loan Application Requirements

**Application Form (signed):** Request by calling Beartooth at 406-962-3914

**Business Plan (all applicants) to include the following:** *Marketing Plan, Operations Plan and Financial Plan* to include 3 years *Cash Flow Projections, 3 years Income Statement Projections, and 3 years Balance Sheet Projections* showing subject funding request and uses of funds.

**Financial information required for existing businesses:** CPA Prepared *Financial Statement* for most recent 3 years of operation, *Current Financial Statement* within 60 days of loan application, *Existing Debt Schedule, Current Aging of Accounts Receivable and Accounts Payable, most recent 3 years Business Federal Income Tax Returns.*

**For all individuals with 20% or greater ownership :** *Resume, Current Personal Financial Statement, most recent 3 years Federal Income Tax Returns, and Personal Credit Check Release.*

**Any other documentation that may be required by the specific loan program.**