

# NCNMEDD EDA Revolving Loan Fund

*Our mission is to create living wage jobs for Northern Mexicans.*

*The revolving loan fund partners with Northern New Mexico banks to provide participation loans that help businesses access the capital they need to start and grow.*



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## About the Revolving Loan Fund

This Revolving Loan Fund was developed as a business gap financing program for the region in 1985. The Fund was initially capitalized with an EDA grant award of \$500,000, which was matched with \$166,667 in local funding raised by North Central New Mexico Economic Development District (NCNMEDD).

During the life of the funds, NCNMEDD has lent almost \$3.5 million to 49 firms on projects that generated \$15 million of business development activity and over 1,000 jobs created and retained in the region.

## Who are eligible borrowers?

The NCNMEDD Revolving Loan Fund is available for legal businesses located in the counties of Colfax, Los Alamos, Mora, Rio Arriba, San Miguel, Santa Fe, and Taos. Additionally, the municipal, land grant, and tribal jurisdictions within the aforementioned seven counties are also eligible.

## How does the Fund work?

Prospective borrowers apply to the Fund with a letter of introduction from a senior lender partner requesting a participation loan to fill a project financing gap.

## Review the Terms and Conditions

Item	Notes
Fund Loan Amount	Preferred participation loan amount from the Fund is \$15,000 to \$100,000.
Leverage Ratio	The loan amount from the bank must be at least double the amount of the participation loan. This program is ideal for projects between \$100K and \$1M.
Interest Rate	The minimum interest rate is four (4) percentage points below the lesser of the money center prime interest rate quoted in the Wall Street Journal.
Job Creation	Borrower must create one full time job for each \$25K borrowed.
Collateral	Preferably NCNMEDD will share in the collateral, negotiated by the senior lender on a prorated basis.
Term	Participation loan term will correspond with the senior loan term. The term generally falls in the range of between three (3) and ten (10) years, depending on the type of loan requested.

## Eligible Fund Uses

- Working Capital
- Inventory
- Equipment
- Land Purchase
- Building Purchase

## Lending Partner Benefits

- Profit from otherwise marginal loans
- Reduce risk on hard-to-do loans
- Leverage NCNMEDD as loan officer
- Earn .25% service fee from
- CRA Credit Eligible

