

Racine Development Group

(RDG)
Revolving Loan Fund

The Racine Development Group (RDG) created a loan fund to promote business development and real estate projects in the City of Racine, with emphasis on low- and moderate- income neighborhoods. Contributing members include Chase Bank, Johnson Bank, M&I Community Development Corp., RCEDC, S.C. Johnson, Tri City National Bank, US Bank and Wells Fargo Bank.

This program partners with bank financing to fund real estate projects, furniture, fixtures and equipment purchases and limited working capital needs.

The RDG offers a below market interest rate, currently as low as 4%. Its participation typically does not exceed either \$100,000 or 40% of the total eligible project costs.

Program Parameters

Borrower Equity Requirement:

- 10% of project cost.

Community Benefit Required:

- Examples: Job creation typically required or other positive community impact.



Generations Portrait Studio benefited from the RDG program using it to purchase and renovate a vacant mixed use building on Sixth Street in the City of Racine.



Eligible Project Costs

- Land and building purchases
- Building construction or renovations
- Equipment, furniture and fixtures purchases
- Limited working capital

Fees

- Estimated \$1,500 legal fee
- 1.5% processing fee
- Out-of-pocket closing costs
- Annual servicing fee of 0.5% collected with monthly payments

Rates & Terms

- As low as 4%
- Up to 5 year term
- Up to 20 year amortization
- Key man life insurance typically required.

Note: The term of the loan depends upon the items being financed.

For More Information Contact:

Carolyn Engel
(262) 898-7420

cengel@businesslendingpartners.org

www.businesslendingpartners.org

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