

# Village of Union Grove

## Community Development Block Grant Revolving Loan Fund (CDBG-RLF)

This program was designed specifically to assist businesses in the Village of Union Grove and its environs. The program primarily finances real estate projects, equipment purchases and limited working capital needs.

The Village of Union Grove CDBG-RLF offers a below market interest rate, currently as low as 2%. Its participation cannot exceed either 50% of the total eligible project costs or \$300,000.

### Program Parameters

Borrower Equity Requirement:

- 10% of project cost.

Loan Amount:

- Generally up to 40% of the project costs.



*All Modes, Inc. benefitted from the CDBG-RLF using it to purchase land and construct a new business facility in Union Grove, relocating its business from Illinois.*



### Eligible Project Costs

- Land and building purchases
- Building construction
- Equipment, furniture and fixture purchases
- Limited working capital and training costs
- Demolition, renovation, and improvements of buildings
- Purchase of rolling stock

### Fees

- Estimated \$1,000 legal fee
- 1.5% processing fee
- Out-of-pocket closing costs

### Rates & Terms

- As low as 2%
- 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:

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