

SMALL LOAN GUARANTEE PROGRAM

GENERAL INFORMATION

Riverside Development Corporation (RDC) is a non-profit corporation engaged in a broad range of economic development activities in the city of Holyoke.

WHY A LOAN GUARANTEE FUND?

RDC's assessment of the local business climate identifies a need for a small loan guarantee program to assist local businesses in financing normal operating needs or expansion through their local banks.

The guarantee can be as much as 50% on funds borrowed.

HOW DOES IT WORK?

Loan guarantees are available for up to seven years. The guarantee is secured by a cash deposit in the participating bank for the amount of the guarantee. There are no processing or closing fees charged to the small business concern. The borrowed funds may be used for a variety of reasons including inventory acquisition, purchase of machinery and equipment, renovation, expansion, and working capital.

WHO IS ELIGIBLE?

In order to obtain a loan guarantee, the business must be located in or willing to relocate to the city of Holyoke. Businesses willing to relocate to Holyoke may be assisted by other RDC programs in helping them identify site locations.

Businesses must show an ability to create or retain employment opportunities or be reflective of some other appreciable community impact.

HOW DOES A BUSINESS APPLY?

Just visit RDC or a local bank. If your firm has been rejected for conventional bank financing for various reasons, perhaps we can help.

For further information, please contact the Business Development Section:

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