

Business Loan Fund

Current funding level: \$ 62,500

Loan Fund: \$ 61,626

Loan Servicing: \$ 623

Administrative Costs: \$ 250

Project Goal

This loan fund will supplement the Community Development and Planning Department's existing loan fund, providing flexible support for investments supported by the ARPA Interim Final Rule, including Qualified Census Tract investments, COVID-retooling and broadband access.

Project Activities

A revolving loan fund will be created to provide loans to businesses. Loans may be secured by a mortgage on real property when applicable, or secured using other collateral. Improvements might include storefront fit-out, sign & facade improvements, broadband installation, remodeling and marketing costs. Applicants will be required to provide a business plan and financials with their application in order to be considered.

Eligibility

Loans will be provided to businesses in the Qualified Census Tracts at 0% percent interest if they match the funding and will be lent out at terms of between 2-5% interest in other areas of the City. Loans will be repaid over a 5-year amortization period, and the repayment period can be deferred for up to 6 months for new businesses, to allow for the ramp-up of the business operation. Businesses in Qualified Census Tracts would be eligible for partial loan forgiveness after 54 qualifying payments.

Qualifying Census Tracts

7105, 7107, 7108

Waiting List and Prioritization

Qualifying projects will be funded on a first-come, first-served basis. As funding is limited, those projects that cannot be funded will be placed on a wait list, in the order that the application was completed. This list will be maintained for up to five years, pending additional funding.

Default/Business Closure

In the event of a business closure prior to the repayment of the loan, the City will attempt to recapture loan funding, but retains the right to forgive the loan on a case-by-case basis.

Appendix

Current Income Limits

2022 Fitchburg-Leominster Income Limits for HUD Programs

Effective June 15, 2022

People in Household	1	2	3	4	5	6	7	8
80% Area Median Income	\$56,150	\$64,150	\$72,150	\$80,150	\$86,600	\$93,000	\$99,400	\$105,800

People in Household	1	2	3	4	5	6	7	8
80% AMI	\$56,150	\$64,150	\$72,150	\$80,150	\$86,600	\$93,000	\$99,400	\$105,800
60% AMI	\$42,120	\$48,120	\$54,120	\$60,120	\$64,980	\$69,780	\$4,580	\$79,380
50% AMI	\$35,100	\$40,100	\$45,100	\$50,100	\$54,150	\$58,150	\$62,150	\$66,150
30% AMI	\$21,020	\$24,050	\$27,050	\$30,050	\$32,050	\$34,900	\$37,300	\$39,700

Current Rental Limits

65% Rent Limit is approx. 30% of the adjusted income of a family whose annual income equals 65% of the median income for the indicated area.

Number of Bedrooms	1	2	3	4	5	6
Maximum Rent	1203	1444	1660	1833	2003	2174