



Northeast CT Economic Alliance

An Economic Development Corporation

The Northeast CT Economic Alliance provides business loans and business advice to startup and existing companies that have been unable to secure credit through conventional sources.

The Northeast Alliance serves 21 towns in Windham, Tolland, and New London counties:

- Ashford • Brooklyn • Canterbury • Chaplin
• Columbia • Coventry • Eastford
- Hampton • Killingly • Lebanon • Mansfield
• Plainfield • Pomfret • Putnam • Scotland
- Sterling • Thompson • Union • Willington
• Windham • Woodstock

For these 21 towns, the Northeast Alliance provides business loans from two funds: a **Regional Revolving Loan Fund** devoted to economic development in northeastern Connecticut, and a **Small Cities Loan Fund** managed by the Alliance.

Generally, these business loans range in size from \$5,000 to \$50,000. Targeted businesses are small to medium in size, having 50 or fewer employees. The Northeast Alliance has the risk tolerance to do business with startups and business loan applicants that may have been declined financing by banks and/or other financing entities.

Roberta Dwyer, Executive Director

*Located at the Corner of
Valley & High Streets • Willimantic, CT*

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NEW \$500,000 Revolving Loan Fund

This loan fund is only available to businesses located in:
Killingly • Mansfield • Plainfield • Putnam • Thompson • Windham

Funds may be used for any of the following, particularly where jobs will be created and/or retained: acquisition, construction, conversion, enlargement, or repair of a business or business facility, the purchase or development of land (easements, rights of way, buildings, facilities, leases), Equipment & Machinery, Leasehold improvements, Start-up Costs, Working Capital, Pollution Control & Abatement, Transportation Services, Feasibility Studies, Hotels, Motels, B&Bs, Convention Centers. Refinancing of debt may be considered.

- **Maximum financing** – 75% of project or \$150,000.00, whichever is less
- **Application Fee** – \$250.00
- **Rates & Points will be set according to risk:**
Rates are currently 7.50% - 10.00%
Points are currently from 0 to 6, depending on the application

Term will be negotiated between the Northeast Alliance and the client.

The term will be reasonable and prudent considering the purpose of the loan, expected repayment ability of the client, and the useful life of the collateral, as well as term limits set by the Alliance.

- Real Estate – 5 to 20 years
- Equipment – 3 to 7 years
- Start-up Expenses – 3 to 5 years
- Working Capital – 3 to 5 years
- Leasehold/Capital Improvements – 3 to 7 years

Priorities in regard to loans originated with these funds are as follows:

- Loans that increase economic activity
- Loans that increase job creation and retention
- Loans that will reduce the overall poverty rate
- Loans that support practical community projects to promote economic development within the six town service area

Criteria for Eligible Loans. Proposed company must:

- Reside in the service area
- Be duly filed with the State of Connecticut as a business entity
- Provide a current viable business plan
- Generally not be able to obtain conventional financing
- Provide evidence that job creation/retention will be a result of loan financing
- Establish an economic benefit to the community/region
- Borrowers will need to certify that 30% of individuals hired will be members of families with incomes below the poverty line.

**What does the Northeast CT
Economic Alliance
require from a loan applicant?**

- **Loan Application**
Complete description of loan purpose
- **Personal Financial Statement**
For each principal
- **Personal Tax Returns**
3 years for each principal
- **Business Financial Statements**
2 years (if available) plus YTD
 - a. Complete list of all business assets
 - b. Balance Sheet and Profit & Loss Statements (Year-end and Year-to-date)
 - c. Current Accounts Receivable and Accounts Payable Aging Statements
- **Business Tax Returns**
3 years (if available)
- **Business Plan**
3 years – Pro forma if a new business
 - a. First year by month
 - b. Second and third year by quarter**Cash Flow Summary**
 - a. First year by month
 - b. Second and third year by quarter
- **Application Fee** - \$250.00
- **Other information as required.**

