

# Revolving loan program to help growing companies

◆ **Development council:** Focus on smaller towns in Hillsborough and Merrimack counties.

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By **JIM KOZUBEK**

Union Leader Correspondent

**MERRIMACK**—Capital Regional Development Council director Stephen Heavener yesterday told a town committee his group is creating a revolving loan program for Hillsborough and Merrimack counties to make capital available to growing companies that want to finance land, new buildings and equipment.

The U.S. Department of Agriculture fronted \$750,000 and the council contributed its own financing to create a \$937,500 revolving loan program to make capital available to companies that want to expand or locate in municipalities with fewer than 25,000 residents.

Heavener said the program will dispense fixed-interest rate loans to companies at market value to complement private bank loans, expand available financing and lower costs to borrowers.

"Banks typically come to us, because it reduces their risk and makes loans cheaper for borrowers due to our fixed-interest rates," he said.

The council will make loans available in packages up to \$150,000 or 30 percent of the total cost of a loan.

As the loans are repaid, the council will pay off the USDA and expand its own revolving fund with interest it collects on the loans, he said.

It gradually will make funds available to more companies to increase commercial and industrial loan opportunities in Hillsborough and Merrimack counties, he said.

Heavener was the first professional staff member of a similar program in 1986 that became the Monadnock Economic De-

velopment Corp., before he left the state in 1990.

He returned six months ago to become director of the council and introduce the new loan program.

Capital Regional Development Council started in 1954 and introduced an initial revolving loan program in 1990, which now stands at more than \$1 million and operates in Sullivan and Merrimack counties.

With the new fund, the council will have around \$2 million to lend.

Bill Boyd, head of the Merrimack Economic Development Citizens Advisory Committee, learned last night businesses that come to the town will not qualify for the revolving loan fund — the town's population of around 29,000 is more than the 25,000-qualifying limit.

But the town could take advantage of additional services the council provides, including a Small Business Administration 504 loan that can reach up to \$4 million for a company, or consulting services at \$75 to \$100 an hour.



**STEPHEN HEAVENER**