



Al Tech Loan Fund Fact Sheet

- BACKGROUND:** The Albany County Business Development Corporation (ACBDC) established the Al Tech Trust Fund with a one-time grant from the U.S. Economic Development Administration (EDA). The Capital Region Chamber of Commerce began administering the program in 1994. From inception through 2017, the program has funded over **190 loans exceeding \$48 million in financing** to small businesses located in Albany County.
- HOW IT WORKS:** Under the program, Al Tech provides loans from **\$50,000 to \$1 Million** which can be used for acquisition or renovation of owner-occupied real estate, purchase of fixed assets, and working capital.
- INTEREST RATE:** The rate calculated is **75% of the published WSJ prime interest rate** on the date of the closing.
- LOAN TERM:** Loan terms are typically **5 years with amortizations up to 20 years** depending on the use of the proceeds.
- ELIGIBLE COMPANIES:** Manufacturing, technology, retail, wholesale and service businesses located in or looking to locate in Albany County. An applicant must demonstrate a need for financing as well as a means for repayment.
- ELIGIBLE PROJECTS:** Acquisition or renovation of applicant-occupied real estate, purchase of fixed assets, and working capital. There has to be a demonstrated need for the loan.
- Ineligible projects include non-owner occupied investment real estate, research and development, and the refinancing of any existing debt.
- JOB REQUIREMENT:** Al Tech generally requires that a business create employment opportunities after the loan is funded. Consideration is also given to retention of existing jobs. Special efforts will be made for minority and women-owned businesses, technology businesses, and labor intensive industries.
- LOAN COLLATERAL:** All appropriate business assets, including real estate, fixed assets, accounts receivable, etc.
- GUARANTIES:** Personal guaranties and on occasion, personal assets are required to collateralize the loan.

LIFE INSURANCE: An assignment of life insurance in the amount of the loan is required on the owners and if deemed necessary, on key management personnel.

PROCESS: The ACBDC Board of Directors meets on a monthly basis to review loan applications. **A complete application package needs to be submitted two weeks prior to a meeting.** The following information is required to review an applicant:

- **Completed application**
- **History and background** (Business Plan)
- **Federal Tax returns** (Business and Personal) for the past three years
- **Personal financial statement** for principals with 20% or more ownership
- **Business financial statements** (income statement and balance sheet) for the past three years
- **Interim financial statements** no older than 90 days (internally prepared)
- **Projections** (at least two years, monthly)
- **Statement on the Sources and Uses of funds** (quotes, invoices, employment projections and working capital needs to be reflected in financial projections)
- **Description of assets** (business or personal) being offered to secure the loan

FEES: Albany County Business Development Corporation charges a \$500 non-refundable application fee.

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AI Tech is an equal opportunity lender and business assistance provider