



**PANHANDLE  
REGIONAL  
PLANNING  
COMMISSION**

# ***RURAL MICRO-LOAN PROGRAM***

Panhandle Regional Planning Commission (PRPC) is a voluntary association of local governments that contributes to the economic development of the Texas Panhandle. The PRPC Rural Micro-Loan Program is designed to provide small businesses with increased access to capital in the 24 rural counties of the Texas Panhandle. The purpose of the program is the creation of jobs in rural areas and the opportunity for business growth through increased access to capital.

The Rural Micro-Loan Program primarily targets any small business in the 24 county region that commits to hiring 1 additional full-time person for every \$20,000 of money borrowed, within two years of loan closing.

Goals of the Program include –

- Minority-owned and Woman-owned business development and expansion;
- Development / expansion of borrower companies; i.e. number of employees as well as sales;
- Revitalization of the agricultural economy with emphasis on value-added processing;
- The generation of future tax revenues;
- Linkages with the area's existing business economy.

The minimum loan amount for the Rural Micro-Loan Program is \$2,000 and the maximum is \$40,000. As a "Risk Financing Program", equity requirements can vary between 5% to 15%, based on the merits of the project.

## **USE OF PROCEEDS**

Activities to be financed may include, but are not limited to:

- Business and industrial acquisitions, construction, etc.;
- Purchase & development of land, buildings, etc.;
- Purchase of equipment & business supplies;
- Purchase of machinery or business vehicles;
- Remodeling / Improvements;
- Start-up costs, working capital, or gap financing.

## **TERMS, INTEREST RATES, & FEES**

The interest rates charged will depend on the borrower's credit history, ability to repay, character, collateral, etc. The minimum and maximum rates are 2 points below Wall Street Journal Prime and 2 points above Wall Street Journal Prime at the time of the loan closing. The length of the loan will coincide directly with the use of proceeds of the loan. A loan origination fee of 3.0% may be charged to defer costs associated with packaging a loan application.

## **COLLATERAL**

The Rural Micro-Loan Program will require collateral to secure the note. Collateral will be derived from the borrower's personal guaranty, available personal assets, and business assets.

## **CONTACT INFORMATION**

For additional information about the program or to start the loan application process, please contact PRPC staff at (806) 372-3381 or visit [www.theprpc.org](http://www.theprpc.org).

# ***RURAL MICRO-LOAN PROGRAM***

***Small Business  
Financing for Expanding or  
Start-Up Businesses***

**Original Capitalization provided by the U.S. Department  
of Agriculture and Texas Panhandle Regional  
Development Corporation**