Examples of Revolving Loan Funds

The Texas LoanSTAR (Saving Taxes and Resources) revolving loan program

LoanSTAR finances energy-related cost-reduction retrofits for state, public school district, public college, public university, and tax-district supported public hospital facilities (10 Tex. Gov. Code §2305.032). Low interest rate loans are provided to assist borrowers in financing their energy-related cost-reduction efforts. Applicants repay the loans through the stream of energy cost savings realized from the projects.

The 34 Tex. Admin. Code §19.41-45 provides the guidelines for the following: project eligibility, the application and selection process, and for project funding and repayment. Each April and October, SECO publishes a Notice of Loan Fund Availability and request for applications of LoanSTAR loans. The notice is published in the Texas Register, on the Comptroller's website, and on the SECO Funding & Incentives webpage. Sign up to receive Notices of Loan Fund Availability and application requirements by email.

As of January 2014, LoanSTAR has funded over 237 loans totaling over $395 million. As a result of these loans, the LoanSTAR Program has achieved total cumulative program energy savings of over $419 million, which results in direct savings to Texas Taxpayers.

For questions about the LoanSTAR Revolving Loan Program, contact Eddy Trevino (512-463-1876).

Texas Department of Agriculture (TDA) Community Development Block Program (TxCDBG) Revolving Loan Fund Program

The RLF must be used to fund economic development activities in accordance with Title I of the United States Housing and Community Development Act of 1974. RLF funds are subject to all community development block grant (CDBG) statutory and regulatory requirements. All activities funded with RLF funds must comply with CDBG requirements

Texas Military Value Revolving Loan Fund

Created by the 78th Legislature and signed into law by Governor Rick Perry, the Texas Military Value Revolving Loan Fund, or the "Revolving Loan Fund" as it has become known, is designed to:

- Assist defense communities in enhancing the military value of a military facility in their area.
- Provide financial assistance to defense communities for job creating economic development projects that minimize the negative effects of a defense base realignment or closure decision that occurred in 2005 or later.
- Provide financial assistance to defense communities for an infrastructure project to accommodate new or expanded military missions resulting from a base realignment and closure decision that occurred in 2005 or later.

EDA RLF PROGRAM

The EDA Revolving Loan Fund Program is the Economic Development Administration's economic development financing program that helps America's small businesses grow while benefiting communities through tax base expansion, business growth and job creation. Loans are available for most types of small, for-profit businesses to purchase and/or renovate capital assets including land, buildings and equipment or to finance working capital needs such as inventory and accounts receivable.

PHARR EDC Revolving Loan Fund Program

The PEDC Revolving Loan Fund (RLF) is designed to assist small and emerging businesses with projected gross revenue less than $1 million and who employ 50 or fewer employees.

OBJECTIVES
- Establishment of new businesses and/or expansion of existing business
- Creation of employment opportunity and/or saving of existing jobs

WHO MAY BORROW?
- Individuals, public or private organizations, or other legal entities, with authority to incur the debt and carry out the purpose of the loan.
- At least 51% of the owners or shareholders of a business must be United States citizens or admitted for permanent residence.
- Applicants must be unable to obtain the purposed loan elsewhere at reasonable rates and terms.

ELIGIBLE LOAN PURPOSES
- Acquisition and development, of land, easements, and rights-of-way.
- Construction, conversion, enlargement, repairs or modernization of buildings (include façade repairs), plants, machinery, equipment, access streets and roads, parking areas, utilities, and pollution control and abatement facilities. (please call first)
- Loans for startup operating cost and working capital.
- Technical assistance for private business enterprises.
- Project/Business to be assisted must be physically located within the City of Pharr, Texas