

## **Program description and Guidelines**

*Camden National Bank and the Town of Hermon have joined forces to offer your company more affordable business loans. The Town of Hermon wishes to encourage establishment and growth of business enterprises now existing or wishing to locate in the town. For this purpose, the town has agreed to establish a fund to reduce interest payments on business loans 300 basis points for three years.*

### **Procedures:**

#### **Where do I apply?**

Prospective borrowers under the Hermon Business Loan Program should contact Hermon's Economic Development Director so a determination can be made if your company qualifies for the program. Qualified borrowers will be supplied with a "Form of Town Commitment" that must be taken to Camden National Bank and submitted with the loan application.

#### **Who can assist with the application?**

The Town of Hermon may assist, at the company's discretion, with business planning.

#### **Who approves the loan?**

Camden National Bank reviews the loan application under its own credit review guidelines. The loan application is approved or rejected at the sole discretion of Camden National Bank.

#### **Where would I make payments?**

If approved, Camden National Bank processes the loan as it would any other commercial loan. Payments would be sent to Camden National Bank.

#### **How can the interest be so attractive?**

Camden National Bank applies financial assistance funds from the Town of Hermon to reduce your interest rate.

### **Guidelines:**

#### **Qualified Applicants:**

Any business located in the town qualifies for the Hermon Business Loan Program. However, the loan proceeds must be used entirely within the geographic boundaries of the Town of Hermon.

#### **Loan Use:**

Loan proceeds are to be used for fixed assets, by way of example but not limited to machinery equipment, construction of facilities, or expansion of existing facilities.

#### **No Refinancing:**

Refinancing of all or part of an existing loan is not eligible under the program.

**Downpayments:**

Dependent upon the use of the loan proceeds and collateral security.

**Terms:**

Up to three years.

**Rate:**

Loans made under the Hermon Business Loan Program will subsidize interest payments on business loans 300 basis points (3%) for three years up to a maximum of \$5,000.

***Sample Loan Subsidy Calculation:***

Loan Amount	\$50,000.00
Loan Term	7 years
Market Rate	6%
Subsidized Rate	3%
Payment at Market Rate	\$730.43
Payment at Subsidized Rate	\$660.67
Difference in Payment	\$67.76
Loan Subsidy	$69.76 \times 36 = \$2,511.36$

**Program Limits:**

Loans made under the Hermon Business Loan Program will be made on a first-come, first-serve basis as long as the Town of Hermon's assistance funds allow.

**Program Changes:**

The Town of Hermon and Camden National Bank reserve the right to make mutually agreed changes in this program, as necessary, to better meet the economic development goals of the Town of Hermon or Camden National Bank.

**For More Information:**

On this and other programs initiated by the Town of Hermon please contact:

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Town Manager  
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Hermon, ME 04402-6300  
Telephone: (207)848-1010  
Fax: (207) 848-3316  
E-mail: [raymond@hermon.net](mailto:raymond@hermon.net)

**For a Hermon Business Loan Program application, please contact:**

Camden National Bank  
2530 Route 2  
PO Box 6002  
Hermon, ME 04402  
Telephone: (207)848-7541  
Fax: (207)848-7543

***Hermon Business Loan Program***

***A joint project between Camden National Bank and the Town of Hermon***



 **Camden National Bank**



