



## *Business & Industry Loan Fund*

*Loans to Stimulate Private Investment and Job Creation*

### **Program Description**

The purpose of the Southeast Kentucky Economic Development Corporation's Business & Industry Loan Fund is to enhance business recruitment in its 42-county service area. Loans are made to new and expanding industrial companies to finance fixed-assets such as buildings, machinery and equipment.

### **Project Financing**

The maximum loan amount is the lesser of 50% of the total project cost or up to \$500,000. The minimum loan size is \$35,000. A minimum of 10% owners' equity must be provided directly from the business. Completed applications are reviewed and considered on a first-come, first-served basis with financing approval subject to the availability of funds.

### **Eligible Projects**

Applications are evaluated based on a project's financial viability, its local economic impact and the amount of private investment leveraged. Loan fund proceeds may be used to finance permanent working capital and fixed assets, which include: land, buildings, machinery and equipment. Agribusiness projects are not eligible.

### **Term of Loan**

Real estate loans have a maximum term of 15 years; equipment loans will not exceed 10 years; and the term for working capital loans is five years or less.

### **Interest Rates**

Interest rates are determined on a case-by-case basis after a review of the loan application. Typically, loans will be made at below-market interest rates to encourage business growth throughout Southeast Kentucky.

### **Collateral**

All loans will be secured with fixed assets. Real estate and equipment are acceptable collateral. All loans require the personal guarantees of the company's owners.

### **Fees**

All attorney fees, title insurance fees, filing fees, document preparation fees, appraisals and other costs associated with closing and securing the loan are due upon closing.

### **Service Area**

The Business & Industry Loan Fund is available in: Adair, Bath, Bell, Breathitt, Casey, Clay, Clinton, Cumberland, Estill, Floyd, Garrard, Green, Harlan, Jackson, Jessamine, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lincoln, Magoffin, Martin, McCreary, Menifee, Metcalfe, Monroe, Morgan, Owsley, Perry, Pike, Pulaski, Rockcastle, Rowan, Russell, Taylor, Wayne, Whitley and Wolfe counties.

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### **Contact Information:**

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*All of the Southeast Kentucky Economic Development Corporation's programs and services are provided to the public on a nondiscriminatory basis.*