



A Regional Growth Corporation

Business & Industry
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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 and expansion in its 42-county service area. Loans are made to new and expanding businesses to finance fixed-assets such as land, buildings, machinery and equipment or provide permanent working capital.

Project Financing

The maximum loan amount is the lesser of 45% 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 three 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 principal 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.

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