



A Regional Growth Corporation

Micro loans  
are made to  
small and emerging  
businesses in  
rural areas  
which need assistance  
in acquiring  
working capital or  
purchasing equipment

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## *Micro Loan Fund*

*Providing Capital for Small and Emerging Businesses*

### **Program Description**

The purpose of the Southeast Kentucky Economic Development Corporation's Micro Loan Fund is to enhance long-term job growth by providing technical assistance to local entrepreneurs and short-term asset financing to small and emerging businesses in rural areas which need assistance in purchasing equipment in Southeast Kentucky.

### **Project Financing**

The maximum loan amount is the lesser of 90% of the total project cost or up to \$35,000. The minimum loan size is \$500. 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**

Projects financed must have fewer than 50 new employees and less than \$1 million in annual gross revenues. Micro Loan Fund proceeds may be used to finance the purchase of fixed assets, which includes machinery and equipment and working capital. Land and building projects are not eligible.

### **Term of Loan**

The term of the loan shall not exceed 6 years.

### **Interest Rates**

Interest rates are based on New York prime rate at the time of the closing.

### **Collateral**

Appropriate collateral may include real estate, equipment, machinery, vehicles and personal assets of the company's owners and will include personal guarantees of the company's owners.

### **Fees**

A \$350 non-refundable application fee must be submitted with the application.

### **Service Area**

The Micro 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.*