



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 and short-term asset financing to local entrepreneurs and small and emerging businesses in rural areas who 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 \$50,000. 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. Typically, loans will be made at below-market interest rates to encourage business growth throughout Southeast Kentucky.

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

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.

Technical Assistance

Micro Loan Fund borrowers are eligible to receive free pre-loan and post loan technical assistance from SKED.

Contact Information:

Michael Bush

Director of Lending

SKED

2292 South Highway 27

Suite 340

Somerset, Kentucky 42501

Phone: (606) 677-6046

Fax: (606) 656-0256

Email: mbush@centertech.com

www.southeastkentucky.com

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



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.