



## **SMALL BUSINESS LOAN FUND**

### ***Loans to Stimulate Private Investment and Job Creation***

#### ***Program Description***

The purpose of the Southeast Kentucky Economic Development Corporation's Small Business 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 \$50,000. 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.

#### ***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.*



#### ***Service Area***

The Small Business 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.