



LENDING PROGRAMS

INCENTIVE PROGRAMS FOR BUSINESSES

Through our partner agency, Monroe County Industrial Development Corporation (MCIDC), lending programs are offered for various business activities including job creation and gap loan financing.

PROGRAM QUICK REFERENCE:

The SBA 504 Loan program provides long-term financing for the purchase of land, buildings and equipment at a fixed-rate of interest.

Revolving Loan Fund 50 provides gap loan financing to Monroe County businesses which do not qualify for the SBA 504 program.

Monroe Manufactures Jobs LoanPlus program will lend manufacturing companies 10% of the purchase price of new manufacturing equipment, up to \$100,000, at 1% interest.



SBA 504 LOAN

SBA 504 LOAN PROGRAM

This program provides long-term financing for the purchase of land, buildings and equipment at a fixed-rate of interest. Funding for SBA 504 loans is provided through a partnership between the Small Business Administration (SBA) and a private sector lender such as a bank.

Under a typical SBA 504 scenario:

- 50% of the financing for the project is provided by a bank at a rate determined by the bank
- 40% is provided by the Small Business Administration through the Monroe County Industrial Development Corporation (MCIDC) in the form of a fixed-rate SBA-guaranteed debenture
- 10% in equity is provided by the business

The SBA can guarantee payment of debentures for as little as \$50,000 and up to \$5,500,000 (for qualified manufacturing projects).

Minimum documents required to apply:

- Description of project to be financed
- Last three years financial statements, including corporate federal tax returns
- Interim financial statement within 60 days of application
- Accounts receivable and accounts payable aging within 60 days of application
- Two years of projected balance sheet and income statement with assumptions
- Personal financial statement and federal tax returns for the last year of any shareholder with 20% or more ownership

SBA 504 SAMPLE PROJECT

Use of Proceeds:

Land Purchase	\$100,000
Building Construction	400,000
Equipment.....	0
Soft Costs.....	0

Total Project Cost \$500,000

Source of Funds:

Bank (50%).....	<i>1st Mortgage</i> \$250,000
SBA (40%).....	<i>2nd Mortgage</i> 200,000
Equity (10%).....	50,000
Other (0%).....	<i>3rd Mortgage</i> 0

Total \$500,000

SBA Fees*:

Net Proceeds.....	\$200,000
CDC Processing Fee (1.5%)	3,000
Closing Costs.....	2,500
Reserve Fee (.5%)	1,000
Funding Fee (.25%).....	500

Subtotal..... \$207,000

Underwriting Fee (.4%)

Total \$207,832

**Gross Debenture \$208,000
(rounded up)**

**Fees subject to change.*



RLF 50

MCIDC REVOLVING LOAN FUND 50 PROGRAM

The Monroe County Industrial Development Corporation Revolving Loan Fund (MCIDC RLF) 50 program provides gap loan financing to Monroe County businesses which do not qualify for the SBA 504 program. Funding for MCIDC RLF 50 loans are in conjunction with a bank/ financial institution and will match the bank term, up to 7 years.

Typical MCIDC RLF 50 scenario:

- 50% of the financing for the project is provided by a bank
- 40% is provided by a MCIDC fixed rate note
- 10% in cash equity is provided by the business

MCIDC RLF 50 notes will be from \$50,000 to \$200,000. Guarantee is required of each shareholder owning 20% or more of the business. Ineligible projects include:

- Retail
- Medical facilities
- Debt refinancing
- Professional services
- Real estate development

Approval is subject to MCIDC Loan Committee and MCIDC Board of Directors.



JOBS LOANPLUS

MONROE MANUFACTURES JOBS LOANPLUS

The Monroe Manufactures Jobs LoanPlus program, administered by the Monroe County Industrial Development Corporation (MCIDC), will lend manufacturing companies 10% of the purchase price of new manufacturing equipment, up to \$100,000, at 1% interest. The company must also invest 10% and a partner bank will lend the remaining 80% of the purchase price. Additionally, if the company hires an individual who is unemployed and works for the company for at least six months, the company will receive a \$500 bonus.

The company must meet the following criteria:

- Be a manufacturer
- Meet the Small Business Administration’s definition of a small business
- Company and all owners having a 20% or higher stake in the company must be current with all taxes, have no outstanding tax liens and must personally guarantee the loan
- Company must retain the job base over the term of the loan



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COUNTY EXECUTIVE



MCIDC
MONROE COUNTY INDUSTRIAL
DEVELOPMENT CORPORATION

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