

State Loan Guarantee Program

The purpose of this program is to encourage local banks and non-bank lenders to make small to medium-sized business loans that are not traditionally bankable by providing the lender with additional security for a credit request in the form of a guarantee, which serves as an incentive to approve a commercial credit request it might not normally consider.

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Eligible Applicants:

Entrepreneurs who seek to start, acquire, grow, or expand a business but find it difficult to obtain the capital they need. Companies who possess solid business ideas and plans, and are able to demonstrate a consistent and unblemished credit history but have minimal collateral. Borrowers who can demonstrate financial capability to repay requested loan, have projections with valid assumptions, and good character. Non-profits are ineligible, unless located in a State Enterprise Zone.

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Use of funds:

Include working capital, tenant improvements, business acquisition, equipment purchases, bridge financing, construction, real estate acquisition, and virtually all business purposes.

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Guarantee Amount:

We may guarantee up to 90.0% of a commercial loan or line-of-credit facility, not to exceed \$500,000.

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Loan Term:

A Term Loan is repaid through regular periodic payments usually over a period of 1-7 years. A Line of Credit is repaid through monthly payments of interest only, with all unpaid principal and interest due at maturity, 1 year in length with renewable terms.

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Collateral:

Available business and personal assets (machinery, equipment, A/R, inventory and property).

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Fees:

Term Loans: 2.0% of the guaranteed portion of the loan + \$250 documentation fee.

Lines of Credit: 1.0% of the guaranteed line + \$250 documentation fee.