

### **CDBG LOANS**

Financing for small businesses for the purchase of real estate or equipment, or permanent working capital that will create or retain jobs. Commercial and industrial projects in Montgomery County, outside the municipal limits of the City of Dayton and the City of Kettering.

### **ELIGIBLE USES OF FUNDS**

- Land and/or building acquisition
- Renovation of existing buildings
- New construction
- Purchase of capital equipment
- Permanent working capital necessary for the growth of the small business

### **INELIGIBLE USES**

- Rolling stock & debt refinancing

### **TYPICAL STRUCTURE\***

- 50% - From private sector lender
- 40% - From BizCap (CDBG loan)
- 10% - Equity injection from the small business (start-ups 20%)

### **MAXIMUM LOAN AMOUNT**

- \$125,000

### **TERM**

- Based upon useful life of assets up to 15 years; working capital loans max. term 5 years

### **INTEREST RATE**

- Generally 2/3rds of Prime (3% minimum); fixed rate\*

### **COLLATERAL**

- Second lien on land, buildings, machinery, equipment, and/or other assets
- Personal guarantees required

### **REQUIREMENTS**

- One job created or retained for each \$35,000 loaned; must occur within 3 years of closing
- Low-mod income hiring required on 51% of new jobs\*; job reporting to BizCap required
- Prevailing wage requirements on applicable projects\*

### **FEES**

- \$100 Application fee (non-refundable) – due at time of loan application
- 1.5% Of loan amount (\$100 minimum) payable at closing
- BizCap closing costs incl. title search & title insurance fees, legal fees, filing fees, etc. payable at closing

\* See your BizCap lender for more information.