

### OHIO REGIONAL 166 LOAN PROGRAM

Since 1991, a loan program helping Ohio small businesses who create & retain jobs make investments in real estate and/or equipment for their future growth. Funding for this program provided by the State of Ohio/Ohio Development Services Agency (ODSA). Available throughout the State of Ohio

### ELIGIBLE USES OF FUNDS

- Purchase, renovation and/or construction of real estate & buildings
- Acquisition of capital machinery & equipment (“rolling stock” is ineligible)
- Purchase of ongoing business’ fixed assets (based on values established by appraisal)

### TYPICAL STRUCTURE

- 50% - Third Party Lender loan
- 40% - County Corp Development BizCap Regional 166 loan
- 10% - Equity from the small business (businesses less than 2 years old require 20%)
- Maximum Regional 166 available is 75% of the project if there is no Third Party Lender financing

### MAXIMUM LOAN AMOUNT

- \$500,000

### TERM

- Based on useful life of asset financed:
  - Max 10 years for M&E
  - Max 20 years for real estate
- Should not exceed the term offered by Third Party Lender in the project, if applicable

### INTEREST RATE

- Interest rate shall be fixed at or below local market rates at loan approval

### COLLATERAL

- Proportionate shared 1<sup>st</sup> mortgage/lien position with Third Party Lender; OR
- 2<sup>nd</sup> Mortgage/lien may be taken if:
  - Not more than 30% of the eligible project is funded by the Regional 166 loan; AND
  - An additional 1% fee is paid at loan closing (paid to ODSA); AND
  - The loan is secured by additional credit enhancements which may include: personal guaranties of owners with 20% or more of the company; corporate guaranties from related companies; life insurance on key owners and/or managers; letters of credit; other types of credit enhancements, if necessary.
- 1<sup>st</sup> Lien required when 166 loan funds in excess of 45% of the eligible project costs

### REQUIREMENTS

- Any for-profit operating entity licensed to do business in the State of Ohio
- Funds are targeted, but not limited to, manufacturing, R&D or warehouse & distribution companies
- Retail, spec real estate development projects & refinance of debt are specifically ineligible
- A commitment for a minimum of 1 full-time job to be created or retained within three years of closing

### FEES

- \$500 Deposit – due at time of loan application
- One time 1½% processing fee paid at loan closing
- BizCap closing costs incl. title search & insurance fees, legal fees, filing fees, etc. paid at loan closing; \$500 deposit will be credited at the loan closing towards these costs; balance due at closing.

\* See your BizCap lender for more information.