



Summary:

The SENDD IRP-RLF loan program is a useful financial tool for any entrepreneur looking to start a new business, or an existing small business owner looking to expand their operation. The loan proceeds can be used for a wide variety of business needs under flexible terms and conditions. The interest rates are very reasonable and all fees can be incorporated into the loan. This helps free up additional cash that can be used in the business - exactly where it is needed most. This program works well with a primary lender and can be a good fit to fill the “gap” between a proposed project and the internal lending limits of a regulated financial lender.

Please contact the SENDD IRP-RLF Program Manager, or visit our website (www.sendd.org) if you would like more information on this loan program, or wish to receive a copy of the pre-application.

* The Southeast Nebraska Development District is an Equal Opportunity Provider, and Employer.

SENDD

Southeast Nebraska Development District

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SENDD

Southeast Nebraska Development District

(IRP-RLF)

Intermediary Relending Program Revolving Loan Fund



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Intermediary Relending Program Revolving Loan Fund (IRP-RLF)

The purpose of the SENDD IRP-RLF is to increase economic activity, community development and employment opportunities in rural communities. This program achieves this purpose by providing loan financing to new and existing small businesses in SENDD's 15 county service & membership area. Counties located within SENDD's service/membership area include Cass, Fillmore, Gage, Jefferson, Johnson, Nemaha, Otoe, Pawnee, Polk, Richardson, Saline, Saunders, Seward, Thayer and York Counties.

Eligible Use of Funds: Most owner-user for profit businesses qualify for a SENDD IRP-RLF loan. * **Business acquisitions**
* **Purchase and development of land** * **Purchase of equipment, machinery or inventory** * **Startup operating costs and working capital** * **Feasibility studies** * **Other miscellaneous uses (surveys, transportation services, pollution control and abatement)**

Loan Terms:

- ◆ Maximum loan amount is \$150,000
- ◆ Minimum loan \$20,000
- ◆ Loan term not to exceed 15 years
- ◆ Equity injection of 10% on expansion of an existing business
- ◆ Equity injection 20% on a start-up business
- ◆ Interest rate is fixed between 3% to 6%
- ◆ Borrower must demonstrate adequate cash flow, working capital and collateral
- ◆ No prepayment penalties
- ◆ Personal guarantees will be required from principal owners with 20% or more ownership in business
- ◆ **Other terms & Conditions**

Financial Information:

- ◆ Business plan
- ◆ Estimate of project costs (source and use of funds)
- ◆ Last three years balance sheets and profit and loss statements (existing business)
- ◆ Current balance sheet
- ◆ Personal financial statement of principal owners
- ◆ Pro-forma cash flow for one year on an existing business, three years pro-forma balance sheets and pro-forma monthly cash flow for first year on start-up business

Requirements:

- ◆ One job created or retained for every \$35,000 of SENDD IRP-RLF financing
- ◆ Project must be located in a community with a population of less than 25,000
- ◆ 51% of the ownership in the business must be a citizen of the United States or reside in the U.S. after being legally admitted for permanent residence
- ◆ The amount of the loan and other funds available must be adequate to assure project completion or achieve the purposes for which the loan is made
- ◆ Applicants are encouraged to obtain a portion of the needed project financing from a regulated financial lender