

**Who can apply?**

Eligible applicants are private, for-profit businesses including, but not limited to, corporations, partnerships, sole proprietors, and certain cooperatives organized for the conduct of business.

**What can the funds be used for?**

Funds can be used to purchase land and buildings, machinery and equipment, an existing business, working capital for purchase of inventory, supplies, payment of wages, marketing and advertising or start-up costs.

**What are the job creation requirements?**

Generally speaking, YSEDC wants each business loan participant to create one full-time job or two part-time jobs for every \$35,000 borrowed. The loan participant could have up to the full loan term to create the jobs.

**What are the equity requirements?**

Minimum owner equity in the project must be ten percent for existing businesses and at least 20 percent for start-up businesses.

**Are personal guarantees required?**

Personal guarantees may be required from individuals with more than a 20 percent ownership interest.

**What types of collateral are required?**

Various types of collateral can be accepted. This may include Deeds of Trust on land and buildings, Liens on machinery, equipment and fixtures, Lease assignments and Vehicles. In general, an applicant will be required to pledge at least \$1.00 in collateral for each \$1.00 borrowed.

**Are there any fees involved?**

Applicants will be required to pay a \$250 non-refundable application fee. Applicants will also be required to pay loan fees of approximately 200 basis points (two percent of the loan amount), plus any related costs including, but not limited to, attorneys fees, appraisals, credit reports, recording fees, title insurance premiums and environmental review/mitigation costs. Loan fees can be included in the finance package.

**What are the interest rates?**

Interest rates may be influenced by specific project need, strength of the application and collateral position but are always fixed. Our current interest rate ranges between 8-10%.

**What is the loan term?**

Determined by project and financial need, the term of other project lenders, the economic life of assets being financed or a combination of these factors.

**How long must I wait before receiving my loan?**

Applications are generally approved or declined within 30 days of receipt of a complete application package. Approved applications can generally be funded within 90 days of receipt of a complete application package.

**What are the minimum and maximum loan amounts?**

The minimum loan amount required is \$25,000. The maximum loan amount is generally \$150,000.