

FACT SHEET

REVOLVING LOAN FUND (RLF)

BACKGROUND:

SEED established this program with grants from the U.S. Economic Development Administration (EDA) and the Massachusetts Department of Housing and Community Development (DHCD). Since 1984 SEED has received a **total of \$2.2 million in grants to provide gap financing** to small businesses.

Under a special grant from the U.S. Economic Development Administration through the state, **SEED extends loans to the fishing, and fishing related industries and also administers an EDA funded pool for the City of Brockton.** Bank of America provided the match for the Brockton fund.

HOW IT WORKS:

Under the RLF Program, SEED provides loans up to \$100,000 which can be used as the down payment on a larger project. The SEED portion of the project is generally 25 percent or less, although in cases where there is a larger financing gap, SEED's portion can be greater.

INTEREST RATE:

Generally at 80% of prime and fixed for the term.

LOAN TERM:

Up to five years with options to defer principal payments, amortize over longer periods or establish seasonal schedules as needed.

ELIGIBLE COMPANIES:

Manufacturing, retail, wholesale and service businesses: net worth not in excess of \$2 million; less than \$750,000 average net profit after taxes during the previous two years.

ELIGIBLE PROJECTS:

Acquisition of land and buildings; construction and/or renovation; equipment and furnishings; and working capital. There has to be a demonstrated need for the loan.

JOB REQUIREMENT:

SEED generally requires that a business create **one job for each \$5,000** of SEED investment. On a \$200,000 project, in which SEED is contributing \$50,000, SEED would like to see 10 new jobs created in the next two years. **SEED will consider other economic development impact in lieu of jobs.**



**80 DEAN STREET
TAUNTON, MA 02780
(508) 822-1020 Fax: (508) 880-7869
Website: www.seedcorp.com
Email: info@seedcorp.com**

**LOAN
COLLATERAL:**

All appropriate business assets, personal guaranties and personal assets as necessary to collateralize the loan.

PROCESS:

SEED's Loan Committee meets **at least once a month** to approve loan applications. Normally it takes **30 days or less to obtain approval**. SEED can close on a loan as soon as the client closes with the bank if there is a bank involved. The following is the information needed to review a loan application:

- **Brief history and background** (Business Plan for start-up business)
- Statement on the **use of funds** (quotes, invoices)
- Business **financial statements and IRS returns** for the past 3 years
- **Interim financial statement** no older than 120 days (can be done in-house)
- **Projections** (at least one year), including an Income Statement and a Day One Balance Sheet for start-up businesses
- **Personal financial statements** for principals with 20% or more ownership and personal IRS returns for the past 2 years
- **Appraisals** (copy of existing appraisal or tax valuation accepted)

FEES:

SEED Corporation charges a **\$50.00 non-refundable application fee**. In addition, one point on the loan is charged prior to closing along with closing costs.

SEED OFFICERS:

Jack Meehl, Jr., Chair; James McEvoy, Vice-Chair; Manuel Tavares, Vice-Chair; Ferdinand Kelley, Treasurer; William Barnes, Assistant Treasurer; Richard Shafer, Clerk; William Lewis, Assistant Clerk; and Lorraine Travers, Past Chair

SEED LENDERS: Paula Botelho, Vice President

Lisa Holmes, Assistant Vice President

Susann Patterson, Vice President

Laurie Walsh, Micro Loan Officer & Business Assistance Manager

FOR MORE INFORMATION, PLEASE CONTACT SEED

Phone: (508) 822-1020

Fax: (508) 880-7869

Email: info@seedcorp.com

Website: www.seedcorp.com

SEED is an equal opportunity lender and business assistance provider.