

GREENWOOD CHAMBER OF COMMERCE

FINANCING SOURCES AND FINANCIAL ASSISTANCE

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Small Business Administration (SBA)

The SBA offers several types of loans to prospective small business owners: loans made by private lenders (usually banks) that are guaranteed by the SBA. While the SBA is not a bank, it does have an important function in the commercial lending market, extending guarantees or participation when a bank is unable or unwilling to provide the small business= entire financing by itself. The SBA may guarantee up to 90% of the loan in the event of a loan default depending on the SBA Loan Program. www.sba.gov/

- **SBA Guaranteed 7(a) Loan** ^B Available to most start-ups and small businesses. For those applicants that meet the SBA's credit and eligibility standards, the Agency can guaranty up to 85 percent of loans of \$150,000 and less, and up to 75 percent of loans above \$150,000. This standard applies to most variations of the 7(a) Loan Program. Loans general range from 7 years (working capital) to 25 years (real estate and equipment). SBA's 7(a) Loan Program has a maximum loan amount of \$2 million dollars. SBA's maximum exposure is \$1.5 million. Thus, if a business receives an SBA guaranteed loan for \$2 million, the maximum guaranty to the lender will be \$1.5 million or 75 percent. SBAExpress loans still have a maximum guaranty set at 50 percent. Cost includes fixed or variable rate of loan plus guaranty fee and service fee. Only available if funds from other sources are not available. Contact: Your bank or visit: <http://www.sba.gov/services/financialassistance/sbaloantopics/7a/index.html>
- **SBA 504 Program** ^B Available to businesses with less than \$7.5 million net worth, and average income of less than \$2.5 million over past two years. Long-term fixed asset loans up to 20 years, made by combination financing of SBA backed Certified Development Corporations (CDCs) and banks. Rates based on current Treasury issues plus guaranty fees of about 3%. The CDC=s loan portion cannot exceed 40% of a project. Maximum SBA debenture supporting the loan can be up to \$1.35 million. Must be used for fixed assets, and must create one job for every \$50,000 of CDC=s funds. Start-ups must contribute 10-20% equity to total start-up. The local CDC is the Ark-La-Tex Investment & Development Corporation, a subsidiary of The Coordinating & Development Corporation. Contact: (318) 632-2022, <http://www.cdconline.org/new/sfinser.htm#Investment>

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- **SBA International Trade Loan Programs** ^B SBA=s Export Working Capital Program (EWCP) loans are targeted for businesses that are able to generate export sales and need additional working capital to support these sales. The EWCP loans can also be used to even out cash flow when exporters have negotiated longer sales terms and cannot carry the resulting receivables with their own working capital. The EWCP loan can be a short-term loan for a single contract or in the form of a line of credit that supports ongoing export sales for a period of 12 months. May not be used to refinance existing debt. **Contact:** For SBA export loan information, call the Houston Export Assistance Office at (817) 310-3749; For EXIM Bank loan information, call the Dallas Export Assistance Office at (817) 310-3749 www.sba.gov/smallbusinessplanner/plan/getready/SERV_EXPORT.html

- **Community Express Very Small Business Loans** B Available to small businesses and start-ups that have already in business. Provides between \$5,000 and \$25,000 for working capital. Loan is made on basis of business owner=s credit score and credit reports. Repayment over 7 years. Interest rate: prime plus 4.75%. Contact: Metro/Regional Business Incubator, (318) 671-1050, <http://cdconline.org/New/saretcincubator.htm>

USDA Rural Development Revolving Loan Program

CDC, through its subsidiary, The Ark-LA-Tex Investment and Development Corporation, has joined with the USDA=s Rural Development in making available the Intermediary Relending Program for new and growing businesses in our ten-parish Northwest Louisiana Area. Loans from \$10,000 up to \$150,000 (75% of project costs) can be financed for projects in rural areas of the parishes served by CDC. The focus of this program is to create or retain jobs. The program supplements private lenders= efforts by either participating with them on special financing projects or direct loans to borrowers who cannot qualify under the private lenders= rules. Contact: Ark-La-Tex Investment & Development Corporation, (318) 632-2922, www.cdconline.org/new/sfinser.htm#USDA

Red River Valley BIDCO, Inc.

The Red River Valley BIDCO, Inc. is a business and industry development corporation administered by The CDC. A for-profit business and industry development corporation, the RRV BIDCO supplements private lenders= efforts by either participating with them on special financing projects or direct loans to borrowers who cannot qualify under a private lender's rule. Maximum loan amount is \$1 million. Contact: (318) 632-2022, www.cdconline.org/new/sfinser.htm#BIDCO

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Louisiana Economic Development Corporation (LEDC)

LEDC offers several loan guarantee programs. LEDC itself does not make direct loans; you must have a bank that is willing to loan you the money with the backing of an LEDC guarantee. Programs available through LEDC include:

- **Small Business Loan Program** B provides loan guarantees and participations to banks in order to facilitate capital accessibility for businesses. Guarantees may range up to 75% of the loan amount, not to exceed a maximum of \$1.5 million. Loan participations of up to 40% are also available. Applicants must have a business plan and a bank that is willing to fund the loan. Contact: (225) 342-5676, www.louisianaeconomicdevelopment.com/opportunities/incentives--programs/small-business-loan-program.aspx
- **Micro Loan Program** B provides loan guarantees and participations to banks that fund loans ranging from \$5,000 to \$50,000 to Louisiana small businesses. Contact: (225) 342-5676, www.louisianaeconomicdevelopment.com/opportunities/incentives--programs/micro-loan-program.aspx
- **Contract Loan Program** B intended to provide a loan participation and guarantee to a bank for government contract loans. These loans are intended to help businesses finance working capital for contracts with local, state, or federal government agencies. Loans may range from \$5000 to \$1,000,000 and must be for terms of one year or less. Contact: (225) 342-5676, www.louisianaeconomicdevelopment.com/opportunities/incentives--programs/contract-loan-program.aspx

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Louisiana Department of Agriculture

For companies involved in processing Louisiana agriculture and forestry products, the Louisiana Department of Agriculture offers assistance by linking agricultural/forestry related businesses with financial resources (including loans and grants), identifying raw material supplies and directing such entities to various state-sponsored business incentives. Contact: (225) 922-1277,

www.ldaf.state.la.us/portal/Offices/MarketingAgriculturalEconomicDevelopment/tabid/65/Default.aspx

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Louisiana Venture Capital/Other Financial Organizations

The information provided under this category is provided as a courtesy. No endorsement is intended by the inclusion herein of the following venture capital organizations.

- **Louisiana Fund I** B Louisiana Fund I is an early stage venture capital fund focused on the identification of investment opportunities emanating from research universities and other organizations in the state of Louisiana. Contact: (225) 615-8905, www.louisianafund.com/
- **Source Capital Corporation** B Corporate finance, equity and debt investments. Provides venture capital for seed, start-up, first stage, second stage, acquisitions, business sales, debt placement, government-guaranteed loans. Minimum investment: \$100,000. Preferred investment: \$250,000 to \$600,000. Also, Source Capital=s subsidiary, First Louisiana Business and Industrial Development Corporation (First BIDCO), has certified lender status from the SBA to originate SBA 7(a) guaranteed loans. Contact: (225) 612-2583, www.sourcecap.com/
- **Stonehenge Capital Corporation** B Venture capital subsidiary of Bank One. Will function either as originator or investor in deals created by others. Provides capital for expansions, later stage, mezzanine, leveraged buyouts, and acquisitions. Minimum investment: \$500,000; preferred investment: \$1 million to \$2.5 million. Generally, does not work with start-up companies. Prefers companies with a history of three to five years of successful sales. Recognized as a Small Business Investment Company (SBIC) by the SBA. Contact: (225) 408-3000, www.stonehengecapital.com/loc.cfm
- **CapitalOne Southcoast, Inc.** B a wholly owned subsidiary of Capital One Financial Corporation, CapitalOne Southcoast is a New Orleans-based regional investment bank. The firm's primary lines of business are equity research, debt and equity sales and trading, and corporate finance. Established companies preferred. Contact: (800)-666-9174, www.capitalone.com/bank/commercial/southcoastcapital/index.php?linkid=WWW_Z_Z_Z_BCO1_H1_01_T_BCO1
- **BizCapital BIDCO** B BizCapital lends capital mostly to small to medium sized companies. The company funds its own loans and specializes in Asset Acquisitions, Start-Ups, Working Capital, and Business Expansion. Certified SBA and USDA Lender. Venture capital provided through affiliate Advantage Capital Partners LLC. Contact: (504) 832-1993, www.biz-capital.com/
- **UPS Capital** B UPS Capital combine financial services with other UPS capabilities to provide the expertise and resources for companies to enhance their competitive advantage

and expand their businesses by leveraging the supply chain B flow of goods, information, and funds B through a global service provider B United Parcel Service. Products and Services include Distribution Finance (Asset Based Lending and Structured Finance), Business Credit, Global Trade Finance, Leasing, and Trade Protection Services. Contact: (860) 727-0700, www.upscapital.com/

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R&D Grants/Contracts for Technology-Based Companies

- **Small Business Innovation Research Grants (SBIR)** B Competitive awards. Available only to small start-up and existing technology-based companies. Eleven participating federal agencies (NASA, NIH, DOD, EPA, etc.) solicit for R&D proposals and award funding to qualified businesses. Companies submit proposals in response to specific solicitations. Agencies make SBIR awards based on degree of innovation, technical merit, and future market potential.
- **Small Business Technology Transfer (STTR)** B Competitive awards. Available only to small start-up and existing technology-based companies participating in cooperative R&D with research institutions. Five participating federal agencies (NASA, NSF, DOD, DOE, and DHHS) solicit for R&D proposals and award funding to qualified businesses. Companies submit proposals in response to specific solicitations. Agencies make SBIR awards based on degree of innovation, technical merit, and future market potential. Contact: Ark-La-Tex Regional Export & Technology Center, Inc., (318) 671-1050, www.cdconline.org/businessincubator.htm. Note: Information on the SBIR and STTR program also may be accessed through: www.zyn.com