

# FACT SHEET

## REVOLVING LOAN FUND (RLF)

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### 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).

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. SEED'S loans are subordinate to bank financing.**

In 2011, SEED became a Community Development Financial Institution (CDFI) under the U.S. Department of the Treasury and is eligible for CDFI grants for small business loans.

Since 1984 SEED has received **a total of \$7 million in grants to provide gap financing** to small businesses.

### HOW IT WORKS:

**Under the RLF Program, SEED provides loans up to \$250,000** which can be used as the down payment on a larger project. The SEED portion of the project is generally 40 percent or less, although in cases where there is a larger financing gap, SEED's portion can be greater.

### INTEREST RATE:

**Generally close to prime and fixed** for the term. Check [www.seedcorp.com](http://www.seedcorp.com) for the latest interest rate.

### LOAN TERM:

**Up to 10 years** with options to defer principal payments, amortize over longer periods up to 20 years, 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; equipment and furnishings; and working capital. There has to be a demonstrated need for the loan.



**SEED**  
CORPORATION

SOUTH  
EASTERN  
ECONOMIC  
DEVELOPMENT

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**JOB REQUIREMENT:**

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

**LOAN COLLATERAL:**

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

**PROCESS:**

SEED's Loan Committee approves loans via email or at a meeting. Normally it takes **15 days or less to obtain approval after all the required information has been submitted to SEED.** 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:

- **Application form** (on SEED's website). SEED will accept a completed bank application.
- **Business Plan** for start-up business (can use format on SEED's website);
- **Documentation on the use of funds** (quotes, invoices)
- **Business financial statements and IRS returns for the past 2 years**
- **Interim financial statement no older than 180 days** (can be done in-house)
- **Projections** (at least one year), including 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 at closing, along with closing costs and recording fees.

**SEED STAFF ASSIGNED TO THE PROGRAM:**

**Lisa Holmes, Senior Vice President, Lending Team Leader**  
**Laurie Driscoll, Vice President, Commercial Loan Officer**  
**Lindsey Williams, Vice President, Commercial Credit Analyst**  
**Elizabeth Voss, AVP, Business Development and Credit Officer**  
**Angela Knight, Business Assistance Manager & Lending Officer**  
**Jessica Mello, Business Assistance & Marketing Officer**  
**Helen Gildea, Commercial Loan Administrator**

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**FOR MORE INFORMATION, PLEASE CONTACT SEED**  
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SEED is an equal opportunity lender and business assistance provider.