

FACT SHEET

SEED Loan Programs & Business Assistance

BACKGROUND

The **South Eastern Economic Development (SEED) Corporation** was established in 1982 as a non-profit corporation and certified by the U.S. Small Business Administration (SBA) to package loans under the **SBA 504 Program**. SEED's mandate is to assist small businesses to start up, expand and create new jobs.

In the fulfillment of its mission, SEED has also become: a Community Development Financial Institution (CDFI) under the U.S. Department of the Treasury; a Community Advantage Lender under SBA's 7A Guaranty Program; and an Intermediary Lender under the SBA Micro Loan Program.

Currently, SEED runs **three loan programs** which provide **financing ranging from \$1,000 to \$5.5 million**. They are: the **SBA 504 Program**; the **Revolving Loan Fund**; and the **Micro Loan Program**. SEED also has a **Business Assistance Program** which includes free entrepreneurial workshops, individual technical assistance, and a business library.

SEED's geographic coverage includes **Massachusetts and Rhode Island**. Loan programs are designed to work in conjunction with lending institutions in the region. In some cases, SEED's role is to assist and support small businesses in their start up phase until they are ready for bank financing.

For additional detail on the programs listed below, please visit SEED's website at www.seedcorp.com.

SBA 504 PROGRAM

Through the SBA 504 Program a small business can obtain up to 90% financing for a real estate project for the use of the business or the purchase of machinery and equipment with a life of 10 years.

A lending institution selected by the applicant finances 50% of the project and takes first position on the equity. **An SBA 504 debenture provides up to 40% in second position** and the applicant provides the remaining 10%. The bank portion is financed at conventional rates and terms. The SBA 504 portion (up to 40%) can range from \$120,000 to \$5.5 million on projects from \$300,000 to \$13.75 million or more.

Eligible Project Costs:

Acquisition of land and buildings; construction and/or renovations; leasehold improvements; machinery and equipment; furniture and fixtures; refinancing of existing eligible business debt not guaranteed by the federal government; interim interest; and professional fees for appraisals, surveying, accounting, engineering and architectural services.



Term & Rate: Ten years for machinery and equipment and 20 years for real estate projects. Interest rate is fixed and close to prime. Current rates have ranged from 4% to 5% fixed for 20 year loans, and 3% to 4% fixed for 10 year loans.

REVOLVING LOAN FUND (RLF)

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

Term & Rate: Up to ten years with options to amortize over longer periods or establish seasonal schedules as needed. Interest rate is currently fixed at 5% with bank participation and 6% without. There is no pre-payment penalty.

MICRO LOAN PROGRAM

Under the **Micro Loan Program, SEED provides loans up to \$50,000** which can be used for working capital, machinery and equipment, and furniture and fixtures. A micro loan can be a portion of a larger financing package in conjunction with a bank.

Term & Rate: Up to six years. Interest rate is currently fixed at 6% and there is no pre-payment penalty.

BUSINESS ASSISTANCE

As an extension of the Micro Loan Program, **SEED provides free business assistance** to start-up businesses and those in the first phase of development. Business assistance consists of free entrepreneurial workshops, individual technical assistance, and a business library with over 300 publications, videos, computer software, and internet access for prospective or existing small business owners.

Business Workshops:

Free entrepreneurial workshops are offered throughout the year in cooperation with a sponsoring bank or credit union, the MA & RI Small Business Development Centers (SBDC), SCORE, CWE, and local chambers of commerce. The workshops are offered in two sessions: **Session I: Introduction to the Fundamentals of Business Ownership; and Session II: Understanding and Preparing Financial Statements**

Please visit **SEED's Web Site** for more loan program details, and entrepreneurial workshop schedule.

SEED LENDING & BUSINESS ASSISTANCE STAFF

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

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.