

## HOW TO USE GOVERNMENT LOAN PROGRAMS

- Plan ahead and apply early to allow enough time for loan processing.
- Be prepared to disclose both your business and personal financial history.
- Loan programs take a subordinated lien on the collateral and offer a lower than market rate of interest as an incentive for bank participation in your project's financing. Discuss these advantages with your banker.
- All government loan programs require the participation of a private investor or lender (bank) for project funding.
- All government loan programs require collateral and demonstrated repayment ability.
- Targeted projects may include: development of new technology; secondary agricultural processing; export markets; community projects which stimulate other business development in economically depressed areas; business retention; and minority and women owned businesses.
- The amount of money available for lending by the Revolving Loan Fund Programs depends on the accumulation of portfolio's repayment.

## PRE-APPLICATION CHECKLIST

- ✓ Business financial statements for the previous three years.
- ✓ Business financial statement within the past 90 days.
- ✓ Projected income statement for two years.
- ✓ Breakdown of the use of proceeds.
- ✓ Personal financial statement.
- ✓ Resume.

Mid-Willamette Valley  
Council of Governments  
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# SMALL BUSINESS LOAN PROGRAMS



**For Businesses In  
MARION, POLK,  
YAMHILL, and  
CLACKAMAS  
COUNTIES**

## SMALL BUSINESS FINANCE SERVICES

The Mid-Willamette Valley Council of Governments provides assistance to businesses with all of the commonly used government finance programs.

***These federal, state and local financial incentives are designed to help companies expand or start new ventures by making low interest loans or loan guarantees.*** The Council of Governments has entered into special packaging or partnership agreements with the U.S. Small Business Administration, Rural Business-Cooperative Service (formerly FmHA), Cascades West Financial Services, State of Oregon Economic and Community Development Department, U.S. Economic Development Administration and local governments in the four county service area, which ***provides:***

- Loan packaging and assistance services for all government loan programs at a single location;
- Assistance with obtaining financing from private sector lenders; and
- Free initial consultations with our professional lending staff.

*The Federal Equal Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.*



## FOR INFORMATION CONTACT

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## SMALL BUSINESS FINANCING PROGRAMS

PROGRAMS:	SBA 504	Rural Community Loan Program	Regional Revolving Loan Fund	Community Reinvestment Fund	New Market Tax Credit Loan Program	Newberg Revolving Loan Fund	OBDP Oregon Business Development Fund	Independence Revolving Loan Fund	Yamhill County Revolving Loan Fund	Rural Community RxR Connection Fund
USES	Land, building acquisition, new construction, equipment.	Land, building acquisition or construction, equipment, working capital.	Land, building acquisition, new construction, equipment, working capital.	Land, building acquisition, new construction, equipment & fixtures.	Land, building acquisition, new construction, equipment & fixtures.	Land, building acquisition, new construction, equipment.	Land, building acquisition, new construction, equipment, working capital.	Land, building acquisition, new construction, equipment, working capital.	Land, equipment, construction, working capital.	Connecting RxR Spurs to Business ①
ELIGIBILITY	For-profit small businesses.	Businesses in communities less than 25,000 population in Marion, Polk, Yamhill and Clackamas Counties.	Agriculture processing and manufacturing related businesses in Marion, Polk and Yamhill Counties.	Businesses not eligible for SBA 504 loan funds.	Businesses in qualified census tracts in Oregon and Oregon.	Businesses in the City of Newberg.	Manufacturing, processing and tourism related businesses.	Agriculture, manufacturing, retail and commercial businesses in the City of Independence.	Businesses in Yamhill County.	Businesses in rural communities of Yamhill, Polk & Marion Counties
AMOUNTS	SBA will fund up to 35-40% of the total project with <u>maximum</u> funding of: see below ‡	\$150,000-\$200,000 \$250,000 maximum; up to 50% of project cost. *	\$300,000; maximum of 33% of project cost. *	\$100,000-\$1,500,000 90% if < \$500,000 85% if > \$500,000	\$100,000-\$1,500,000	Max \$200,000; maximum of 50% of project cost. *	Up to \$500,000 or 40% of project. *	Max \$100,000; maximum of 30% of project cost. *	33% of project cost. *	\$250,000 Maximum
BANK/OTHER FUNDING	50%	50% minimum	50% minimum	50%	50%	50%	50%	50%	50%	50%
BORROWER EQUITY	10-15-20%	10% minimum	10-17% minimum	10 or 15%	10 or 15%	10%	10-20%	10-20%	10-17%	10% Minimum
RATES	Approximately the US Treasury Note rate+1.7%.	Minimum 5%. (Rate determined by Loan Committee.)	Minimum 6%. (Rate determined by Loan Committee.)	Approximately the 10-yr US Treasury Note rate + 3.9%.	Approximately the 7-yr US Treasury Note rate + 2.4%.	70% of prime rate, but not less than 6%.	1% above US Treasury securities (fixed rate).	Minimum of 2% below US Treasury bonds.	50% of prime rate but not less than 6%.	5% Minimum rate
TERMS	Real Estate - 20 yrs. Equipment - 10 yrs.	Up to 20 years.	Up to 20 years.	5, 7, 10, 15, & 20 year	Real Estate 20 years Equipment 7 years	Real Estate 10 Years Equipment 5 years.	Useful life of the collateral, up to 25 years.	To be determined on a case-by-case bases.	Negotiable, but not greater than 120 months.	Up to 20 years
FEES	2.875% (less in CAIP eligible areas)	1.5%	1.5%	1.5%	.5% to 1.5% (depending on size of NMTC loan)	1.5%	1.5%	0	1.5%	1.5%
PREPAYMENT PENALTY	Yes	No	No	Yes	Yes	No	No	No	No	No

\* Remainder must come from other sources.

‡\$1,500,000 for regular projects; \$2,000,000 for public policy projects;\$4,000,000 for manufacturing project.

① For additional information, contact David Anzer, Portland & Western Rail Road 503-365-7717 x 108. Website & maps available [www.qwrr.com](http://www.qwrr.com)

All Program job creation amount is determined on type of business and location.