

# STEELVALLEY

## ENTERPRISE ZONE

### **Loan Program Overview and Program Requirements**

You have submitted a Letter of Interest to the *Steel Valley Enterprise Zone Corporation* for participation in the *Steel Valley Enterprise Zone Corporation Small Business Loan Program*.

The purpose of the *Steel Valley Enterprise Zone Corporation Small Business Loan Program* is to stimulate business development and the creation of the new jobs by providing low interest loans, in conjunction with banks and other lenders for a broad range of projects.

#### **Eligible Activities:**

- Acquisition of land and buildings
- Fixed assets activities, such as infrastructure improvements to land and renovations to buildings
- Machinery and Equipment
- Working capital and inventory (The use of loan funds for working capital and inventory may not exceed 20% of the loan funds and must be used in conjunction with other eligible activities.
- Funds may not be used to refinance debt

#### **Ineligible Activities:**

- Businesses that discriminate - race, color, creed or national origin
- Enterprise whose primary operations serve alcoholic beverages, such as bars, taverns, or beer distributors
- Fraternal Clubs with closed membership
- Personal care homes
- Speculative Business

#### **Amount of Loan:**

- Up to 50% of the total project's cost, maximum loan \$100,000
- At least 50% of the remaining project costs must be financed from a private financial institution.

#### **Cost to Borrower:**

- Interest rate fixed at 3%, or 1/2 of Prime Rate, whichever is higher, fixed at the time of commitment
- Loan closing costs and filing fees
- 0.5% origination fee of loan amount
- Annual loan maintenance fee of up to \$250 per year

#### **Terms:**

- Not to exceed that of lender or less depending upon collateral

#### **Special Conditions:**

- Amount of lending will be weighed against the number of jobs created, amount to total project, and hiring (job creation) preference given to local residents with up to \$20,000 per new job for Enterprise Zone residents and \$15,000 per new job form other areas.

#### **General:**

- Loans Must be secured by adequate collateral
- Commitment letter from bank needed before closing

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## Letter of Interest

Proposed borrower may utilize this form to express interest in participating in the *Steel Valley Enterprise Zone Corporation Loan Program*.

Date

Name of Borrower

Address of Borrower

City

State

Zip

Telephone Number(s)

Home

Work

Cell

Name of Business

Address of Business

City

State

Zip

Purpose of Funds (25 words or less)

How long have you been in business \_\_\_ Start-up \_\_\_ 1-3 Years \_\_\_ 3+ Years

Do you have a bank relationship(s)? \_\_\_ Yes \_\_\_ No

If yes, Name of Institution \_\_\_\_\_

Location \_\_\_\_\_

Do you have a business Plan? Yes No If yes: Formal Informal

Anticipated amount of funds necessary of item three above: \$ \_\_\_\_\_

Number of jobs to be retained \_\_\_\_\_

Number of jobs to be created \_\_\_\_\_

Please send Letter of Interest and other information (if any) to  
the **Steel Valley Enterprise Zone Corporation**  
P.O. Box 168 • Homestead, PA 15120-0168 • 412-462-8870 • Fax 412-462-8907

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### Loan Information Checklist

The following items are check represent information the Steel Valley Enterprise Zone Corporation may need for review of the loan request. If you have any questions, please contact the corporation at 412-462-8870

- Written description of business, brochure, or business plans
- Organization charts/diagrams
- Bids, invoices, contracts, etc. to verify use of funds
- Current personal financial and or three years of tax returns for principals
- Three to five year's annual financials
- Current annual financials
- Current interims
- Projections and forecasts
- Financials on related companies
- Evidence of collateral values/appraisals
- Approval for corporation to undertake credit checks on applicant