

Steel Valley Enterprise Zone Corporation
Loan Program Overview and Program Requirements

The purpose of the Steel Valley Enterprise Zone Corporation Small Business Loan Program is to stimulate business development and the creation of 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 asset activities, such as infrastructure improvements to land and renovation 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 businesses

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 4%
- Loan closing costs & filing fees
- 0.5% origination fee of loan amount
- Annual loan maintenance fee of up to \$250 per year

Term:

- 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 of 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 from other areas

General:

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

Steel Valley Enterprise Zone Corporation
P.O. Box 168, Homestead, PA 15120-0168
Phone: 412-462-8870, Fax: 412-241-4161

www.svez.org

(FOR OFFICE USE) # _____

Steel Valley Enterprise Zone Corporation
Loan Information Checklist

The following items that are checked represent information the Steel Valley Enterprise Zone Corporation may need for review of the loan request. If you have any questions, please do not hesitate to contact the corporation at 412-462-8870.

- ___ Written description of business, brochure, or business plans (if any)
- ___ Organization charts/diagrams (if any)
- ___ Bids, invoices, contracts, etc. to verify use of funds (if any)
- ___ Current personal financial and/or three years prior tax returns for principals
- ___ Three to five years' annual financials
- ___ Current annual financials
- ___ Current interims (if available)
- ___ Projections (if available-especially for start-ups and significant requests)
- ___ Financials on related companies (if available)
- ___ Evidence of collateral values/appraisals (if any)
- ___ Approval for corporation to undertake credit checks on applicant

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DATE: _____

Steel Valley Enterprise Zone Corporation
Letter of Interest

1. Name of Borrower: _____
Address of Borrower: _____

Phone Number: (W) _____ (H) _____
E-mail Address: _____
2. Name of Business: _____
Address of Business: _____

3. Purpose for the funds (25 words or less) _____

4. How long have you been in business?
_____ 3 + years _____ 1 - 3 years _____ Start up
5. Do you have established bank relationship(s)?
_____ YES _____ NO If YES where? _____
6. Do you have a business plan?
_____ YES _____ NO If YES _____ Formal _____ Informal
7. Anticipated amount of funds necessary for item 3 above \$ _____
8. a. Number of jobs to be retained _____
b. Number of jobs to be created _____

Proposed borrower may utilize this form to express interest in participating in the Steel Valley Enterprise Zone Corporation loan program. Please send form and other information (if any) to:

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