



# MEEKER

## DEVELOPMENT CORP

[www.meekerdc.com](http://www.meekerdc.com)

## USDA Intermediary Re-lending Program (IRP)

### Eligible Businesses:

May be either start-ups or expansion projects. The types of businesses include, but are not limited to, those engaged in:

- Most for profit businesses that provide employment opportunities, including tourist and recreational facilities
- Technologically innovative industries
- Value added manufacturing

Loan funds are **NOT** available for the following activities or businesses:

- Agricultural production (crop or livestock)
- Projects for which market rate financing is available from other sources
- Projects that cannot demonstrate a reasonable chance of success

### Loan Interest and Terms:

- Maximum MCDC IRP loan is \$75,000.
- Interest rate will be fixed through the term of the loan, to be set at time of application.
- MCDC Loans cannot exceed 50% of the total project cost.
- The loan amortization will match the tax depreciable life of the asset being financed with the MCDC loan proceeds. Generally, loan maturities will be five years but may have up to a ten (10) year term for equipment; twenty (20) year term for R/E.
- The MCDC IRP Loan Program will be collateralized.
- Project Structure: 10%-25% Equity (Expansion)
  - 25% Equity minimally on new/start up
  - 25%-50% Financial Institution
  - 25%-50% Intermediary Re-lending Program

### Eligible Uses of Loan Funds:

All costs demonstrated as essential for the project, including working capital, machinery and equipment, and land and building acquisition and renovation are eligible for a loan.

### Private Investment:

An approved loan from MCDC must be matched by at least an equal or greater amount of new private funds invested or loaned to the company. To serve as a bona fide match, these private funds cannot be existing debt or equity dollars from prior financing. These dollars include a combination of equity and private lender financing.



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## USDA Intermediary Re-lending Program (IRP) cont.

### **Job Creation:**

As a general requirement, MDCDC prefers that one job be created for every \$10,000 of its loan proceeds. The jobs should principally benefit low-income people by providing full-time employment for them.

### **Financing Gap:**

Loans can only be made to businesses that can substantiate a financing need due to one or more of the following conditions:

- Inadequate private lender financing.
- Inadequate equity by the owners of the business.
- Inability to pay market interest rates or term requirements.

### **Business Planning:**

A business must have some expertise in or should have assistance with product development, marketing and management. If assistance is needed, applicants can find support from available business development professionals such as the state's business finance specialist, regional development commission staff, community development personnel, or small business development consultants. If you are unsure about how to access these resources please see below for MDC contact information:

For additional information please contact:

**Meeker Development Corporation**

**Vince Robinson** Ph 507-694-1552

Email [vince@dsi-services.com](mailto:vince@dsi-services.com)

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