What is the Loan Program?

- A financial opportunity for small business owners, property owners or investors to purchase or renovate a downtown property or to purchase fixed equipment for the direct purpose of business creation, expansion or renovation.
- A low-interest loan of up to $25,000. A second position loan behind a bank loan for any existing or new business within the Downtown Erwin District (see map).
- A loan for renovation costs above the bank loan.
- A micro loan up to $25,000 to cover renovation of buildings and financing for equipment loans. The borrower must keep a business account at one of the 3 participating banks.
- Terms:
  
  - Buildings: Up to 15 years
  - Equipment: Up to 5 years

How Does the Loan Program Work?

The following example illustrates how the loan could potentially be structured for downtown property owners.

**Example:**

**Business A** is purchasing a building in downtown Erwin for $100,000. The business is also making $80,000 worth of renovations to the building. The project cost would be $180,000. A down payment of $36,000 (20% of $180,000) and closing costs of $4,000 total $40,000. The financing could be as follows:

<table>
<thead>
<tr>
<th>Participating Bank:</th>
<th>$144,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>(80%) for 15 years</td>
<td>at prime plus 1.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Downtown Loan Program:</th>
<th>$ 20,000</th>
</tr>
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<tbody>
<tr>
<td>for 10 years at 4%</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Business A:</th>
<th>$ 20,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$184,000</td>
<td></td>
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</tbody>
</table>

How Can I Apply?

Contact local banks listed on back or call

**NETEDC**

423-928-0224  
www.netedc.org

Ken Rea  
Kaci Lowe  
krea@ftdd.org  
klowe@ftdd.org

The Northeast Tennessee Economic Development Corporation (NETEDC) will assist you with the application process by providing an application and information packet.

Once a completed application is provided by the borrower, the loan committee reviews loans for approval. If approved, borrower pays a 2 point loan processing fee at closing.

USES:

- Building Purchase
- Building Renovation
- Purchase of Equipment
Downtown Erwin Loan Program Eligibility Area

Participating Banks

**Bank of Tennessee**
Garland "Bubba" Evely, Senior Vice-President
geweley@bankoftennessee.com
(423) 743-1583

**First Tennessee Bank**
Jennifer Buchanan, Vice President
JLBuchanan@firsttennessee.com
(423) 461-4032

**Mountain Commerce Bank**
Bobby Brown, Senior Vice President
bobby.brown@mbc.com
(423) 232-5002

NETEDC
3211 N. Roan Street
Johnson City, TN 37601
Phone: 423-928-0224
Fax: 423-928-5209
www.netedc.org

Downtown
Is Open For Business
You Can Bank On It!

Downtown Erwin Loan Program