The Northeast Tennessee Economic Development Corporation will package and service the BDLF loan.

The Northeast Tennessee Economic Development Corporation was formerly the First Tennessee Economic Development Corporation and has been making loans since 1991.

Companies in Carter, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi and Washington Counties.

- FIXED INTEREST RATES
- LOW INTEREST RATES
- LOW DOWN PAYMENT
- UP TO 90% FINANCING
- JOB CREATION AND RETENTION
- POSITIVE ECONOMIC IMPACT ON COMMUNITY
The Business Development Loan Fund (BDLF) assists companies with projects that create jobs for the region. The loan decision is made locally.

**SUMMARY**

- Job creation. One job to be created for every $20,000 of BDLF funds within two years. Variation in job ratio is considered.
- Provide long-term fixed asset financing (land, building, machinery and equipment), and permanent working capital.
- Public and private sector financing.

**PURPOSES**

- Subordinated public-sector financing funded through the Business Development Loan Fund.
  - Interest rate is fixed, up to three percent below the Wall Street Journal prime rate, at the time of the loan closing. The minimum interest rate is four percent.
  - Term: Building up to 20 years, equipment up to 7 years, working capital 2-5 years.
  - A minimum of 10% from the small business being assisted. Cash or land equity.
  - Closing costs of 2 points plus legal costs.

**PROJECT FUNDING**

- Private-sector financing can be bank, savings and loan, an individual, or other non-governmental source.
  - Lenders set interest rate and fee structure on their portion.
  - Collateral for financial institutions will be, in most cases, a first mortgage if bank funds majority of project.
  - Private-sector financing must be at least 50% of the total cost.

**PROJECT SIZE**

- BDLF's maximum participation is not to exceed $150,000.
  - Example:
    - 50% (bank) $187,500
    - 40% (BDLF) 150,000
    - 10% (company) 37,500
    - TOTAL $375,000

- BDLF's minimum participation is $25,000.
- Size not limited as projects with greater than 50% bank participation are encouraged.

**INELIGIBLE BUSINESSES**

- Retail businesses
- Restaurants
- Passive investment companies
- Non-profit corporations
- Unregulated media firms
- Hotels
- Recreation businesses

**ELIGIBLE BUSINESSES**

- Manufacturing
- Distribution
- Services
- Must be a for-profit corporation, partnership or sole proprietorship.

**ELIGIBLE PURPOSES**

- Acquisition of machinery and equipment
- Construction or acquisition of building
- Acquisition of land (actual costs)
- Parking lots
- Utility Installation
- Contingency fund of not more than 10% of the construction costs
- Associated professional fees such as appraisal, environmental and legal
- Repayment of interim financing interest
- Permanent working capital