



## Our Mission

The mission of the NETEDC is to assist companies with job creation in our region through the Business Development Loan Fund (BDLF).

1. Provide long-term fixed asset financing (land, building, machinery and equipment), and permanent working capital.
2. Public and private sector financing.

## BENEFITS

- FIXED INTEREST RATE
- LOW INTEREST RATES
- LOW DOWN PAYMENT
- UP TO 90% FINANCING
- JOB CREATION & RETENTION
- ECONOMIC IMPACT

## ELIGIBLE AREAS

Carter, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi and Washington Counties

### Our Location:

Northeast Tennessee Economic Development Corporation  
c/o First Tennessee Development District  
3211 North Roan Street  
Johnson City, TN 37601

### Office Hours

MON -FRI: 8:00 A.M. - 4:30 P.M.

### More Information

Telephone: (423) 928-0224  
Website: [www.netedc.org](http://www.netedc.org)

Equal Opportunity Lender

**BUSINESS  
DEVELOPMENT  
LOAN FUND  
DISCOVER THE POSSIBILITIES**

## PROJECT FUNDING

- Private-sector financing can be bank, savings and loan, an individual, or other non-governmental sources.
- 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.
- 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 three 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 SIZE

Here is an example explaining our efforts:

- BDLF's maximum participation is not to exceed \$150,000.
  - Example:

50% (bank)	\$187,500
40% (BDLF)	\$150,000
10% (company)	\$37,500
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<b>Total:</b>	<b>\$375,000</b>
- BDLF's minimum participation is \$25,000.
- Size not limited as projects with greater than 50% bank participation are encouraged.

## LOAN SERVICING & ADMINISTRATION

- The Northeast Tennessee Economic Development Corporation will package and service the BDLF loan.
- The Northeast Tennessee Economic Development Corporation has been making loans since 1991.

## WHO WE HELP

### MOST BUSINESSES ELIGIBLE

Manufacturing  
Distribution  
Services  
Retail

\*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 interests
- Permanent working capital