

# SMALL BUSINESS LOAN GUARANTEE PROGRAM

## Program Details

- Up to an 80% Loan Guarantee
- Commitment Capped at \$100,000
- Loan Amount Maximum: None
- Loan Amount Minimum: \$10,000
- 1 to 7 Year Terms

## Advantages to Borrowers

- Significantly less paperwork and expense than that required to secure a federal SBA loan guarantee
- Direct assistance with development of a business plan and loan package preparation
- Emphasis on local business growth in targeted areas

## Advantages to Lenders

- Unique local tool to support business start-ups and early stage companies in retail, service, technology or manufacturing
- Pre-qualified loans
- Significantly reduced fees and paperwork compared to that required by the federal SBA loan guarantee program

## Business Eligibility Requirements

- Must be locally owned
- Must be located in one of the County's 11 Priority Funding Areas
- Must be a small business in retail, service, technology or manufacturing
- Must be a start-up or early stage company

## Required Fees, Settlement Costs & Other Conditions

- Application and Credit Report – \$300
- Settlement Costs – One quarter to one percentage point per loan depending upon terms and conditions of the request
- Loan will be secured by liens against the business, a confessed judgment and secured personal guarantee of the borrower in addition to the collateral required by the conventional lender
- Borrower must have a credit score of approximately 620 with no unresolved credit issues
- Borrower must provide 5% owner equity to the project



## A CATALYST FOR POSITIVE CHANGE

The Community Development Corporation serves residents of St. Mary's by promoting public and private investment in communities throughout the County.

The Corporation is an independent, non-profit organization managed by a team of professionals and overseen by a diverse, volunteer board of directors who represent the community at large – business, finance, commercial and residential development, the defense contracting community, the Patuxent River Naval Air Station, the St. Mary's County Housing Authority, Department of Social Services and Department of Economic and Community Development.

The Loan Guarantee Program is a prime example of one of the Corporation's many services designed to increase economic development opportunities in St. Mary's County.

## OTHER PROGRAMS

In addition to the Loan Guarantee Program, the Corporation offers the following programs and services to individuals and businesses:

**Jobs Connection Program** - Connecting great people to good jobs; a free job development and placement service for St. Mary's County residents.

**Lexington Park Property Improvement Landscaping Program** - Matching grants for landscaping commercial properties in the Lexington Park Revitalization District.

**Enterprise Zone Tax Waiver & Job Creation Tax Credit Program** - Tax incentives to support business start-ups and expansions for companies located in the Lexington Park Revitalization District.

**The New Business Network & the B-Alert Program** - Creating strong networks among area businesses to address community issues or concerns.