

FINANCE PROGRAMS - OVERVIEW

The Goshen County Economic Development Corporation (GCEDC) can assist companies with planning and obtaining financing for a variety of needs, such as expanding into a new facility. Possible funding sources include:

1. SBA 504 loan
2. Combination of loans through USDA Rural Development and Wyrulec
3. Wyoming Business Council Grant and Loan Programs
4. Wyoming Women's Center Microloan Program

This brief gives a general overview of these finance programs. Fact sheets with more details for each program are available.

SBA 504 Loan

With the first option, your bank would make the first mortgage for at least 50% of the project. Then Frontier Certified Development Company (CDC), Casper, would make SBA debenture loan for 30% to 35% of project, and your company would be required to have 10-20% equity in the project. The SBA portion of the loan can be up to \$2 million.

Frontier CDC published the interest rates for January 2011:

- 20 Year Rate: 6.194%
- 10 Year Rate: 5.256%

USDA-Rural Development and Wyrulec

GCEDC could assist your company in applying for a combination of loans through Wyrulec.

- *Wyrulec Revolving Loan Fund* – Wyrulec can loan \$20,000 – 150,000 and requires that a minimum of 30% of the project is funded from other sources. The maturity is 10 years for building and real estate; 5-7 years for equipment; and 1-3 years for working capital.
- *USDA-Rural Development Rural Economic Development Loan (REDL) Program* – Wyrulec would apply for a loan on behalf of your company. The loan could be for \$740,000 for 10 years with an interest rate of 1%. The approval process could take up to one year.
- *USDA Business and Industry (B&I) Guaranteed Loan* – A company would apply for this loan through a bank and negotiate the terms with the bank. NPPT could apply for a loan in the full amount of the project in case the REDL loan is not approved, or you could apply to a bank as a back-up plan. USDA would guarantee 80% of the loan up to \$5 million. A minimum of 10% tangible balance sheet equity is required of the borrower. Repayment terms are 30 years for real estate, 15 years for equipment, and 7 years for working capital.

The approval for a B&I loan is approximately 45-60 days. USDA typically requires a business plan and feasibility study.

One final note, since this is a federal loan program, an environmental review of the property would be required. Some advantages to working with the USDA loans are a substantial savings in interest and health-related businesses score more points on the applications.

Wyoming Business Council

GCEDC could apply for a number of different grant and/or loan programs through the Wyoming Business Council (WBC):

- Wyoming Partnership Challenge Loan Program and Wyoming Partnership Bridge Loan. State portion of loans cannot exceed \$250,000. WBC participates in project with local economic development office or local lender.
- Loan guarantee programs. The WBC guarantees a portion of the loan from a federal agency or local lender.
- Seed Capital Loan. Requires 3-1 match, \$1,000 application fee, maximum loan of \$50,000. Term for repayment is five years with interest at 20 percent per annum.

GCEDC can also obtain grant funding for infrastructure or industrial buildings through the Wyoming Business Council.

Wyoming Women's Business Center

The Wyoming Women's Business Center accepts applications for microloans of \$500 to \$10,000 to help fund business start-ups or expansions. More information is available by calling 307-766-3084 or at www.wyomingwomen.org.

Business Plan

Most of these loan and grant programs require that the business submit a business plan that includes:

- business description
- management qualifications
- market investigation
- balance sheet
- profit and loss for the last three fiscal years
- cash flow projections for the next three years

Please mark the business plan "Confidential Information."

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