CDBG PROGRAM
INTERIM FINANCING LOAN
MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE
Provide short-term cash flow relief for a company.

AUTHORIZATION
Public Law 93-383, Title I of the Housing & Community Development Act of 1974, as amended; 24 CSR Part 570; and Missouri’s “Consolidated Plan” submitted to the U.S. Department of Housing and Urban Development.

ELIGIBLE AREAS
Projects can only be in a “non-entitlement” area - a city under 50,000 in population or a county under 200,000 in population.

ELIGIBLE APPLICANTS
Cities and counties must apply on behalf of beneficiary companies. For-profit manufacturing, processing and assembly companies that will have wages above the county average and provide medical benefits are prioritized.

PROGRAM BENEFITS/ELIGIBLE USES
- The purchase of new machinery and equipment or working capital are eligible.
- Refinancing, pay out of stockholders, buyouts or lines of credit are not eligible.

FUNDING LIMITS
DED will determine the amount of funds based on the need and state economic impact. Funding is limited to the lesser of $1 million per project; 30% of the total project costs; or $25,000 per job created.

For startup companies, loans are limited to the lesser of $100,000 per project; 30% of the project costs; or $25,000 per job created.

- Interest Rate: Determined by DED, and the principal and interest is deferred until the end of the term.
- Term: Typically 18 months.

- Collateral: Letter of Credit from financial institution acceptable to DED.

APPLICATION/APPROVAL PROCEDURE
An application must be submitted by the sponsor on behalf of the business. Applications are reviewed on a case-by-case basis, subject to fund availability.

REPORTING REQUIREMENTS
- The borrower must provide DED with a fiscal year end report.
- Employment Status Statement Forms

SPECIAL PROGRAM REQUIREMENTS
- LMI Employees: At least 51% of the new jobs to be created must be filled by persons considered “low to moderate income” (LMI).
- Prevailing Wage Requirement: If loan proceeds are used for the financing of building construction or the installation of machinery, prevailing wages must be paid to the employees of the contractors.

CONTACT
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