



# SMALL BUSINESS LOAN PROGRAM

## MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

### PURPOSE

"For Missouri's economy to get back on the right track and for us to create good-paying jobs, we must do everything we can to encourage the development and growth of small businesses," Gov. Nixon said. "That's what my Show Me JOBS plan is all about – putting Missourians back to work and supporting small-business growth during these difficult economic times."

"One of the executive orders I signed directed the Department of Economic Development to work with the Missouri Development Finance Board to create a pool of funds for low-interest or no-interest direct loans for small businesses," Gov. Nixon said.

"These loans can be a real step toward allowing small businesses to expand and create jobs."

### LOAN PROGRAM PARAMETERS

1. The loan program is statewide;
2. The total original loan pool is \$2M;
3. The loan pool is structured to revolve using payments of principal and interest;
4. The interest rate is 3 percent;
5. The terms are typically 10 years or less but may be adjusted for adequate debt coverage;
6. The minimum loan amount is \$2,500 and the maximum loan amount is \$50,000;
7. The applicant must employ 15 or fewer employees, including the owner;
8. The company must be 100 percent Missouri owned and 100 percent Missouri located;
9. The company must be registered with the Secretary of State in good standing;
10. The company must receive tax clearance from the Department of Revenue.
11. The company may not be a retail or gambling entity, a check cashing service (unless associated with a bank), a pawn broker service, resale of donated or used goods, liquidation sales, day labor services, job training services, sale or distribution of alcohol or tobacco products, web based or print newspapers or magazines, radio or television stations, or speculative real estate company;
12. Loan proceeds may be used for working capital, inventory, equipment purchase, real property improvements (owned by borrower) but cannot be used for refinancing of existing debt or outstanding debt payments or paying an owner's salary;
13. Loan origination, collateralization, and loan servicing may be provided by an entity contracted by the MDFB;
14. Loan recipients must produce a business plan either at the time of application or prior to the disbursement of any loan funds. Applications may be submitted without a plan but the application must reflect the plan to complete and submit one to the DED. Assistance with completing a plan may be found by contacting the Small Business Development Center in your area. Contact information may be found on the web at [www.missouribusiness.net](http://www.missouribusiness.net);
15. Determination of loan delinquency and default is made by the MDFB;
16. Loan collections will be referred to the Financial Services Division of the Missouri Attorney General's Office.

**The Small Business Loan application can be found online at [www.ded.mo.gov](http://www.ded.mo.gov).**

### CONTACT

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