



SMALL BUSINESS LOAN PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

These low-interest or zero-interest direct loans help small businesses take steps toward expanding and creating jobs.

LOAN PROGRAM PARAMETERS

1. The loan program is statewide;
2. The total original loan pool is \$2M;
3. The interest rate is 3 percent;
4. The terms are typically 10 years or less but may be adjusted for adequate debt coverage. Loan repayment is quarterly principal and interest payments;
5. Payments may be auto-debited from a checking or savings account;
6. The minimum loan amount is \$2,500 and the maximum loan amount is \$50,000;
7. The number of loans per household may be limited to 1;
8. The applicant must employ 15 or fewer employees, including the owner;
9. The company must be 100 percent Missouri owned and 100 percent Missouri located;
10. The company must be registered with the Missouri Secretary of State in good standing;
11. The company must receive tax clearance from the Missouri Department of Revenue;
12. 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. The owner may not be employed by the State of Missouri;
13. Loan proceeds may be used for working capital, inventory, equipment purchase, and 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;
14. Loan proceeds must begin to be drawn within 60 days of the loan approval date, and all loan proceeds drawn within 1 year of the approval date (unless authorized additional time by the Missouri Department of Economic Development (DED) and the Missouri Development Finance Board (MDFB)). Failure to draw funds within this timeline will result in requiring the resubmission of an amended application and an additional credit review. This loan is not a line of credit;
15. Loan origination, collateralization, and loan servicing may be provided by an entity contracted by the MDFB;
16. 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;
17. The company must provide a certificate of insurance naming MDFB as an additional insured on their business insurance each time a policy is renewed;
18. Determination of loan delinquency and default is made by the MDFB. Late payment fees may be assessed;
19. Loan collections will be referred to the Financial Services Division of the Missouri Attorney General's Office.

CONTACT

Missouri Department of Economic Development

Small Business Loan Program

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