

CAMERON COUNTY USDA RURAL BUSINESS ENTERPRISE LOAN PROGRAM

Loan Limit: \$100,000.00

Terms: 10 years - Land and Building
5-7 years - Machinery and Equipment
3 years - Working Capital (limited to new inventory and new personnel costs)

Rate: 1 1/2%

Fees: The Cameron County IDA charges a \$250.00 non-refundable application fee and a commitment fee payable upon closing of 1% of the loan amount.

Matching
Requirement:

Established Businesses in Operation for at Least Three (3) Full Tax Years - 100% financing up to a maximum of \$75,000 may be borrowed. Any amount exceeding \$75,000 may be provided from any other source(s).

Startup Businesses and Businesses in Operation Less than Three (3) Full Tax Years - 50% match required from any other source(s). New startups must provide a 20% cash and equity contribution with a minimum 10% cash contribution.

Eligible Uses: Machinery and Equipment, Land and Building, Working Capital

Eligible

Applicants: For-profit, private, commercial and industrial businesses located in Cameron County.

Collateral: Cameron County is the secured party. All loans must be secured at the highest position available on one or more of the following assets: land, building, machinery, equipment, accounts receivable, or inventory. In addition the County will generally require a corporate guarantee or its equivalent and will require personal guarantees of principals and spouses having 20% or more ownership in the business. Personal guarantees may be required of persons having less than 20% ownership in the business. The County must have a collateral position on the assets being funded unless otherwise specifically waived. Collateral must be readily attainable and marketable.

Application

Requirements: (1) Startup businesses and businesses in existence less than 3 years which are proposing new operations must have a business plan.
(2) Professionally prepared financial statements and tax returns.
(3) Commitment letters from all other sources of funding.
(4) Sufficient cash flow to meet debt service.
(5) Creation of one full-time equivalent job within 3 years for each \$75,000 in CC USDA RBEG funds borrowed.
(6) Price quotations for all machinery and equipment items to be purchased.
(7) Certification that all jobs to be created will provide health care benefits.

Loan Review: Loans are reviewed by the Cameron County IDA Board of Directors immediately following regularly scheduled IDA meetings. Applications must be submitted 15 days prior to the next scheduled meeting to allow for preliminary review and presentation preparation. The Cameron County IDA meets the third Thursday of each month at 8:00 am.

A positive loan review will result in the IDA's recommendation for approval to the Cameron County Commissioners. The Cameron County IDA serves only as a review and recommendation Board. Recommended loans must be publicly approved by the Cameron County Commissioners.

If you have any questions, please call (814) 486-3439. TTY/TDD Only: 711

Cameron County and the Cameron County Industrial Development Authority are Equal Opportunity Employers and Providers. As such, it prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status.