

VILLAGE OF HORSEHEADS COMMERCIAL LOAN PROGRAM

PROGRAM DATA SHEET

PROGRAM PURPOSE:

To create and retain employment opportunities for low-moderate income citizens of the Village of Horseheads.

PROGRAM DESCRIPTION:

The program assists in the revitalization of Village of Horseheads commercial areas, by providing fixed rate, low interest loans for the acquisition of fixed assets, in conjunction with private financing. 40% of the total project cost, which includes acquisition, construction or renovation of real property and acquisition of furniture, fixtures and equipment, can be financed with EEDP and/or other public funds. Maximum loan amount is \$50,000.

ELIGIBILITY CRITERIA:

Any administrative office, retail, wholesale, commercial or professional business located within the Village of Horseheads is eligible. **Companies must prove they can create jobs and commit to hiring low-moderate income citizens with at least 51% of newly created positions. Priority will be given to applicants who demonstrate an ability to substantially benefit a target group of unemployed persons.**

QUALIFIERS:

- Jobs:** Must create full-time or full-time equivalent jobs for low-moderate income individuals (50% of all new jobs). Generally loan at a ratio of \$30,000 per new job.
- Rates:** Prime rate minus 2%, as published in the Wall Street Journal on the date of Loan Committee approval.
- Terms:** Co-terminus with private financing or seven (7) years, whichever is less.
- Conditions:**
- A minimum of 50% private funding is required. A minimum of 5% cash equity is required.

- Public funding shall not exceed 40%

Collateral: All loans must be secured. Personal guarantees will be required from any principal with 20% or more ownership.

Qualifications: Must be located in the Village of Horseheads.

Prohibition: Refinancing of existing debt.

APPLICATION MATERIALS:

All of the following are required:

- Historical financial information covering three (3) years prior to the application date (income tax statements).
- Personal financial statements of each individual owning 20% or more of the company.
- A three (3) year financial projection.
- A description of the company's product or service, market area, competition, suppliers and customers.
- The history and nature of the company and a list of principals.
- A description of the loan request.

FEES, COSTS OR EXPENSES:

A \$250 fee must accompany the application. **A 1% commitment fee will be levied by STEG. STEG's legal fees are paid by the applicant at closing.**

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