

# FACT SHEET

## REVOLVING LOAN FUND (RLF)

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### BACKGROUND:

SEED established this program with grants from the U.S. Economic Development Administration (EDA) and the Massachusetts Department of Housing and Community Development (DHCD). Since 1984 SEED has received a **total of \$2.2 million in grants to provide gap financing** to small businesses.

Under a special grant from the U.S. Economic Development Administration through the state, **SEED extends loans to the fishing, and fishing related industries and also administers an EDA funded pool for the City of Brockton.**

### HOW IT WORKS:

**Under the RLF Program, SEED provides loans up to \$100,000** which can be used as the down payment on a larger project. The SEED portion of the project is generally 25 percent or less, although in cases where there is a larger financing gap, SEED's portion can be greater.

### INTEREST RATE:

**Generally close to prime and fixed** for the term. Check our website for the latest interest rate.

### LOAN TERM:

**Up to five years** with options to defer principal payments, amortize over longer periods or establish seasonal schedules as needed.

### ELIGIBLE COMPANIES:

**Manufacturing, retail, wholesale and service businesses:** net worth not in excess of \$2 million; less than \$750,000 average net profit after taxes during the previous two years.

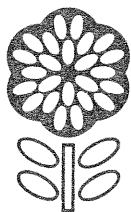
### ELIGIBLE PROJECTS:

Acquisition of land and buildings; construction and/or renovation; equipment and furnishings; and working capital. There has to be a demonstrated need for the loan.

### JOB REQUIREMENT:

SEED generally requires that a business create **one job for each \$5,000** of SEED investment. On a \$200,000 project, in which SEED is contributing \$50,000, SEED would like to see 10 new jobs created in the next two years. **SEED will consider other economic development impact in lieu of jobs.**

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**SEED**

CORPORATION

SOUTH EASTERN ECONOMIC DEVELOPMENT

**80 DEAN STREET**

**TAUNTON, MA 02780**

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**Website: [www.seedcorp.com](http://www.seedcorp.com)**

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**LOAN  
COLLATERAL:**

All appropriate **business assets, personal guaranties and personal assets** as necessary to collateralize the loan.

**PROCESS:**

SEED's Loan Committee meets every month to approve loan applications. Normally it takes **30 days or less to obtain approval**. SEED can close on a loan as soon as the client closes with the bank if there is a bank involved. The following is the information needed to review a loan application:

- **Brief history and background** (Business Plan for start-up business)
- **Statement on the use of funds** (quotes, invoices)
- **Business financial statements and IRS returns for the past 3 years**
- **Interim financial statement no older than 90 days** (can be done in-house)
- **Projections** (at least one year), including a Day One Balance Sheet for start-up businesses
- **Personal financial statements for principals with 20% or more ownership and personal IRS returns for the past 3 years**
- **Appraisals** (copy of existing appraisal or tax valuation accepted)

**FEES:**

SEED Corporation charges a \$50.00 non-refundable application fee. In addition, one point on the loan is charged at closing, along with closing costs.

**SEED OFFICERS:**

**James McEvoy, Chair; Ferdinand T. Kelley, Vice-Chair; William Barnes, Treasurer; R. Bruce Hammatt, Jr., Assistant Treasurer; Richard Shafer, Clerk; William Lewis, Assistant Clerk; and Jack B. Meehl, Jr., Past Chair**

**SEED STAFF  
ASSIGNED TO  
THE PROGRAM:**

**Paula Botelho, Vice President  
Lisa Holmes, Vice President  
Susann Patterson, Vice President  
Laurie Walsh, Commercial Loan Officer & Business Assistance  
Manager**

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**FOR MORE INFORMATION, PLEASE CONTACT SEED**

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SEED is an equal opportunity lender and business assistance provider.