

Northeast Kansas Rural Business Development Program Revolving Loan Fund

Loan Size

- \$5,000 to \$125,000
- \$20,000 or greater requires a bank denial letter
- Loans greater than \$25,000 require 1:1 cash match or acceptable collateral

Use of Loan Proceeds

- Purchase of business equipment
- Purchase of business inventory
- Working capital
- Existing inventory

Fees

- \$50 Application Fee
- Specific Loan Costs (i.e. UCC Filings)

Terms

- Fixed interest rate at current Prime Rate
- 12 to 60 month principal and interest
- No penalty for early repayment
- Direct loan costs are paid by the borrower (credit reports, filing fees, attorney fees)

Collateral

- Collateral required – provide detailed list
- Assets purchased with loan may be used as collateral

Credit History

- Full information required
- Applicant must show creditworthiness
- Explainable circumstances are taken into consideration

Loan Funds May Not Be Used For:

- Paying off existing debt
- Salary or owner's draw
- Down payment on real estate
- Real estate
- Payroll taxes
- Personal vehicles
- Refinance existing debt

Who Qualifies?

- Most small or startup businesses located in the following counties: Atchison, Brown, Doniphan, Jackson, Jefferson, Nemaha, Osage and Shawnee (outside Topeka city limits)

Eligibility

- Startup or growing businesses who may not meet regular bank lending criteria, but which have a track record of paying their bills on time and which have reasonable prospects of being able to repay a loan
- Demonstrate ability to pay back the loan
- All borrowers with startup businesses are required to complete an approved business training class
- Borrower is required to sign a security agreement that pledges all unsecured assets necessary as collateral and a personal guaranty agreement

Businesses That Do Not Qualify

- Non-profit organizations
- Academic institutions
- Gambling concerns
- Floor planning concerns (I.E., wholesale auto inventory financing)
- Speculative concerns
- Lending or investment institutions
- Multilevel marketing or pyramid sales

Applicants Who Are Not Eligible

- Convicted of a felony offense
- Past due on school loans
- Past due on child support payments

What to Include in Application:

- Application form
- Business plan, which includes financial projections (monthly cash flows for a year, balance sheet and income statement for 3 years)
- Current personal financial statement
- Statement of personal history
- Past 3 years' personal tax returns
- Past 3 years' business financial statements, if applicable
- Year-to-date business financial statements, if applicable
- List and valuation of collateral
- Proof of liability insurance
- Denial letter

For more information contact:
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