

Colorado Main Street Loans-USDA

Highlights

- Small business financing specifically for rural North-eastern Colorado
- Financing options not available from conventional lenders
- Directly available through Colorado Lending Source via the USDA-Rural Development IRP Loan Fund (subject to USDA concurrence)
- Total Loan Pool of \$450,000

Loan Structure

- Financing available for up to 75% of the total project cost

Use of Funds

- Can include, but is not limited to: working capital, building/land purchase or construction, business acquisition, debt refinancing, and purchase of inventory, furniture, fixtures and equipment.
- *Agricultural production is not eligible*

Eligibility Requirements

- Small businesses, individuals, partnerships and LLCs, including eligible non profits
- Must be located in one of the target counties in an area with a population of 25,000 or less (Weld, Morgan, Logan, Sedgwick, Phillips, Yuma, Washington, Eastern Elbert, Lincoln and Kit Carson)
- At least 51% of the ownership of the entity must be a US citizen(s) or legal, permanent resident(s)
- No more than 20% ownership by active government or military employee

- SBA size standards apply: Business must have a net worth less than \$15MM and a net profit of no more than \$5MM (two year average after taxes)

Loan Size

- Financing available from \$20,000-\$35,000

Interest Rate

- Rates will be fixed between Prime + 2.75% up to Prime + 5.75%, depending on a risk rated sliding scale

Terms

- Fully amortizing and based on: project purpose, borrower's repayment ability and collateral (useful life, etc)

Basic guidelines are as follows:

- Real Estate – 15 year maximum term
- Equipment and Fixtures – 10 year maximum term
- Working Capital – 7-10 year maximum term

Collateral

- A lien on project collateral (or sufficient collateral based on loan amount and use of proceeds)
- Personal guarantee required
- Collateral assignment of a life insurance policy typically required

Fees

- \$300 processing fee plus additional closing costs
- Appraisal/Valuation and Environmental report costs if required



Colorado Lending Source is the state's nonprofit, small business financing expert. Over our two decade history, we have worked with small businesses to create and retain more than 16,500 jobs across Colorado while helping to pump \$750 million into the state's economy.

The mission of Colorado Lending Source is to foster the economic growth of diverse small businesses within our communities.

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