



## GREEN RIVER AREA DEVELOPMENT DISTRICT



### INTERMEDIARY RELENDING PROGRAM

*The GRADD Intermediary Relending Program (IRP) was established to develop and assist in financial packages for companies in the industrial, commercial, and service sectors. It is designed to have an impact on the economic growth of the region.*

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#### PROGRAM GUIDELINES

1. Projects must be located in Daviess, Henderson, Hancock, Webster, Union, McLean, and Ohio Counties. However priority will be given to projects located in Henderson, Webster, Union, and McLean Counties. Due to funding guidelines, projects located in Owensboro and the City of Henderson will not be considered for an IRP loan.
2. Project must be in the industrial, commercial, and service sectors
3. The GRADD IRP may participate up to 50% of a project. The maximum loan is \$150,000; the minimum loan is \$30,000.
4. The project owner(s) must inject a minimum of 10 percent of the total project cost.
5. The IRP requires other lender participation in the project.
6. Maximum IRP Terms:

Working Capital	5 years
Equipment	7 years
Land & Building	15 years
7. Applicants are required to have existing net working capital of at least fifteen (15) percent of its total working capital needs.
8. Projects must create new jobs, retain jobs or have a significant impact on the economic growth of a community.
9. Generally, the interest rate will be between four percent (4%) and six percent (6%). However, exceptionally strong applicants may receive a lower rate. The GRADD EDC on a case-by-case basis will determine rates below 4%.
10. As appropriate and practical, financing will be secured with mortgages, liens or assignments of rights to assets of borrower. Personal guarantees are required by all owners of the business.
11. At least annually, all borrowers will submit company and/or personal financial statements as required by the Economic Development Corporation.

#### LOAN PROCESS

1. Potential applicants should contact the GRADD office to discuss project eligibility and proposed financing structure. A pre-application, provided by GRADD, must be returned within 30 days in order to determine eligibility.
2. Following eligibility determination, an application must be submitted to GRADD for staff review and preliminary approval.
3. Upon loan closing, a \$250 non-refundable application fee will be collected from the loan proceeds.
4. All applications must receive approval from each of the following before final approval is given:
  - a. Kentucky State Clearinghouse
  - b. USDA
  - c. Green River Economic Development Corporation Loan Review Committee
  - d. Green River Economic Development Corporation Board of Directors
  - e. GRADD Board of Directors
5. A closing fee will be charged to cover actual expenses (such as legal and recording fees) incurred by GRADD to close a loan.