

SUMMARY

**TARGETED INVESTMENT LOANS
(TIL) 8/01/91**

1. Within corporate limits of City of Springfield.
2. Priority to firms maintaining, retaining, or creating employment opportunities. Designed to assist City's manufacturing, wholesale, commercial and service industries. Large scale projects considered when significant job's creation or retention demonstrated.
3. Can be used for real estate acquisition, site development costs, building rehabilitation, fixed assets, machinery & equipment, and purchases of intangible assets. Provisions of Davis-Bacon Act affect any project involving construction.
4. General working capital or refinancing of existing debt. Purchase of inventory except finished goods, except by consent of City Manager. Investment property and non-profits are also ineligible.
5. Not specific
6. TIL will lend up to 50% of total financing, with exceptions by consent of the City Manager. The aim of the City is for the fund to be used in conjunction with other financial programs. Preference given to loans with significant bank loan participation.
7. One FTE job per \$20,000 of TIL funds (Intangible assets require one FTE job per \$10,000 of TIL funds). Exception by consent of City Manager
8. The term is five years for machinery & equipment and seven years for real estate. Exception is by consent of City Manager.
9. The rate is flexible and a function of the commitments for jobs, training, the term of the loan, and the collateral. The rate is not less than four points under prevailing local commercial rate for similar loans maximum allowed under state law, whichever is lower.
10. Principle & interest is paid at least quarterly. Deferrals, amendments or interest can only be arranged on approval of SBDC, Inc. Board and notification of the City Manager. Interest only payments must be made at least quarterly.
11. Adequate security is required to secure repayment of the loan except as otherwise agreed by City. Personal guarantees are generally required.
12. All activities using loan funds and administrative service fees shall be conducted in accordance with applicable Federal, state, and local laws and regulations.
13. **Fees:**
 - Origination** – 1% of the loan amount (\$500 Maximum)
 - Servicing** – ½ of 1% annually on the outstanding balance on the loan anniversary date. Late payments are 5% of the total payment due or \$10; whichever is greater.

- 14.** SBDC, Inc. may acquire real and personal property, including patents, as a part of the activities undertaken with a firm. Such acquisition must be a form of loan security and not with the intent of retaining the acquired property beyond the life of the firm's loan period.

For more information, contact Springfield Financial Group, (937) 322-7821.

cm/economic dev/marketing/ED handouts on website
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