



Southeast Tennessee Development District **setd**

City of Chattanooga's HUD Section 108 Loan Guarantee Highlights

HUD Objectives

- I. Special Economic Development Activities (Small Business Loans)
- II. Construction of Public Facilities
- III. Housing Rehabilitation

Purpose:

Create or Retain jobs for low-and-moderate-income residents of Chattanooga

For more information, please contact:

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Loan Amount: \$25,000—\$250,000

Term: Amortized on a monthly basis
Working Capital—5 to 7 years
Equipment—7 to 10 years
Real Estate—15 years

Rate: Fixed for the life of the loan at or near published WSJ Prime rate at the time of closing, but not less than 4%

Use of Proceeds: Working Capital / Equipment / Real Estate

Collateral: Deed of trust and/or security interest in assets generally in a pro-rata or subordinate position to a senior lender. Personal guarantees required

Eligibility Information:

- For Profit only
- Will require 10-20% Owner Equity investment
- One full time, permanent position or full-time equivalent must be created for every \$35,000 of funds borrowed
- Located in a low to moderate income census tract and/or 51% or more of all employees must be people with low to moderate income and/or 51% or more of your customers have low to moderate income.
- Funds must be utilized within 24months after closing