



JobsOhio Growth Fund Loan

Program Summary

The JobsOhio Growth Fund Loan provides capital for expansion projects to companies that have limited access to capital and funding from conventional, private sources of financing. JobsOhio will consider loans to companies that are in the growth, established or expansion stage, and that have generated revenues through a proven business plan.

The JobsOhio Growth Fund's loan decisions are based on a number of project factors, including but not limited to job creation, additional payroll, fixed-asset investment commitment, project return on investment, and project location.

Available Funding

The program may finance allowable project costs with JobsOhio Growth Fund Loans typically ranging in size from \$500,000 to \$5,000,000. For established and expansion stage companies, projects should typically receive more than half of their total financing from other private capital sources. For growth stage companies, JobsOhio may consider financing a higher portion of the project's total investment.

Job Creation

The program requires the creation of jobs within a specified period of time, and may consider the amount of loan proceeds per job created. JobsOhio may consider providing financing for eligible projects that improve operational efficiencies or production expansion, along with the retention of jobs.

Eligible Projects

The program includes projects by companies engaged in JobsOhio's targeted industries and business functions. Ineligible projects include but are not limited to retail and other population driven businesses.

Eligible Costs

The JobsOhio Growth Fund focuses on fixed-asset investment by companies, including the following:

- Land
- Building (purchase, construction or renovation)
- Machinery and equipment
- Capitalized costs directly related to a fixed-asset purchase
- Software development

Term

The JobsOhio Growth Fund Loan term is based upon the useful life of the allowable project costs/uses financed. The term for real estate is up to 15 years and the term for machinery and equipment is up to 10 years.

Interest Rate

The JobsOhio Growth Fund Loan interest rate is a fixed rate at closing. Interest rates are priced based on project risk and other project factors.

Applicant Contribution

The program requires a 10% minimum borrower contribution/equity in the allowable project costs and uses. The required contribution may be higher, depending on the company's financial and operating position and the project's characteristics.

Security and Collateral

The program typically requires a senior or shared-senior lien position on project uses financed with the JobsOhio Growth Fund Loan proceeds. The program may consider a second mortgage and/or subordinate lien position on the project assets.

The program may require additional collateral or credit enhancements, including:

- Personal guarantees from owners of the company
- Corporate guarantees from related companies
- Full or partial letter of credit
- Life insurance on key business owners and/or managers
- Other types of credit enhancement, if necessary

Disbursement of Loan Proceeds

The JobsOhio Growth Fund Loans are typically "take-out" financing of allowable project costs and uses that must be purchased with interim financing, with the JobsOhio Growth Fund Loan disbursing upon project completion. In limited circumstances, the JobsOhio Growth Fund may consider multiple draws on a reimbursement basis.

Program Costs

- Costs related to loan closing, not to exceed \$15,000.
- Annual servicing fee equal to 0.25% of the outstanding principal amount of the loan is pro-rated and payable monthly
- Loan servicing set-up fee

Pre-payment

The program does not impose a pre-payment penalty.