

EASY STEPS TO OBTAIN AN OSDC LOAN

Contact OSDC to discuss the project

Submit the items on the application checklist below

Eligibility determination and credit analysis completed by OSDC and participating lender

Conditional commitment provided by participating lender

OSDC Board of Directors review and recommend loan approval

OSDC prepares loan application and submits to the Ohio Department of Development

Final loan commitment issued after approval by the Ohio Department of Development

OSDC Loan is closed after project completion

APPLICATION CHECKLIST

Please submit the following to OSDC:

- History and description of business and owner resumes
- Project description including specific use of loan proceeds
- Cost verification– purchase agreement and/or third-party cost estimates
- Business financial information– Last 3 years of income statements & balance sheets
- Business tax returns for last 3 years
- Current Business financial statements (less than 120 days old)
- Current personal financial statement from all 20%+ owners
- Personal tax returns last 3 years from all 20%+ owners
- Business financial projections for 3 years
- Last 3 years business financial information of affiliate businesses, if any
- Conditional bank commitment letter
- Appraisal by Qualified Appraiser
- Environmental questionnaire and formal assessment, if required
- OSDC loan application fee

Helping Finance Ohio's Future



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**OHIO
STATEWIDE
DEVELOPMENT
CORPORATION**

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Ohio Regional 166 Loan Program

ABOUT THE OHIO REGIONAL 166 LOAN PROGRAM:

THE 166 REGIONAL LOAN PROGRAM is a State funded loan pool that can fund up to 40% of the total cost of a business expansion project, at fixed, below market interest rates with lower down payment requirements.

THE 166 REGIONAL LOAN PROGRAM is primarily for healthy, established small businesses, although start-up projects may be eligible. Approval process consists of an OSDC Board of Directors review with final approval being issued by the Ohio Department of Development. A participating lender usually provides interim financing for the 166 portion of the project.

OSDC PARTNERS WITH THE PARTICIPATING LENDER to provide the appropriate financing solution. The 166 Program prefers a shared collateral position with the participating lender.

EQUITY INJECTION from 10% to 20% of the total cost of the project is required.

LOAN TERMS: Maximum 15 years for real estate; maximum 10 years for machinery and equipment. Generally, 166 loan term cannot exceed participating lender loan term.

INTEREST RATE: Fixed, between 2% and 6%.

AVAILABLE FUNDING: 40% of Project Cost to maximum loan of \$500,000. Up to 75% of participation may be considered on an exceptional basis.

COLLATERAL: OSDC/ Ohio Department of Development prefers a shared mortgage and/ or lien position established via tri-party agreement between participating lender, OSDC, and borrower. A second lien may be considered on a case by case basis with a 1% additional loan fee.

GUARANTEES: Personal and corporate guarantees of borrowers and affiliates, if any.

LIFE INSURANCE: May be required on key business owners and/or managers.

EARLY REPAYMENT: No prepayment penalty.

OCCUPANCY REQUIREMENTS: Business must occupy at least 51% of space in a building acquisition project; 75% occupancy required in a new construction project.

COSTS:

- \$500 non-refundable application fee
- 1.5% processing fee of 166 loan portion
- .25% annual servicing fee for life of loan
- Reasonable legal, closing and related costs

WHO IS ELIGIBLE?

ELIGIBLE PROJECTS:

- Land and/or Building Purchases
 - New Building Construction and/or Renovations
 - Machinery & Equipment Purchases
 - Long-Term Leasehold Improvements
 - Purchase of Ongoing Business' Fixed Assets
- Ohio Prevailing Wages are required for construction, renovation, and installation of machinery and equipment as determined by the Ohio Department of Commerce

BUSINESS ELIGIBILITY REQUIREMENTS:

- Primarily Manufacturing, Research and Development, Distribution and certain Service-Related entities- retail businesses are ineligible.
- Must create or retain one job for each \$50,000 of Regional 166 loan funds over three- year period.
- Business must inject minimum 10% down payment.
- Business typically must be for-profit business (some exceptions may apply)

OSDC IS YOUR OHIO 166 REGIONAL LOAN SPECIALIST THROUGHOUT OHIO

OSDC also administers the SBA 504 Loan Program throughout Ohio. OSDC can provide information on how to obtain economic development financing through other government agencies.

OSDC will provide professional loan packaging services for other government assisted loan programs. Contact us for more details.