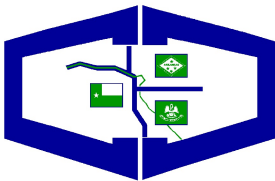


# Greenwood, Louisiana Business Resource Guide



**Greenwood  
Chamber of  
Commerce**



**THE COORDINATING &  
DEVELOPMENT  
CORPORATION**



**2014**

## FINANCING SOURCES AND FINANCIAL ASSISTANCE

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### **Small Business Administration**

The SBA offers several types of loans to prospective small business owners: loans made by private lenders (usually banks) that are guaranteed by the SBA. While the SBA is not a bank, it does have an important function in the commercial lending market, extending guarantees or participation when a bank is unable or unwilling to provide the small business' entire financing by itself. The SBA may guarantee up to 90% of the loan in the event of a loan default depending on the SBA Loan Program. [www.sba.gov/](http://www.sba.gov/)

- **SBA Guaranteed 7(a) Loan** – Available to most start-ups and small businesses. For those applicants that meet the SBA's credit and eligibility standards, the Agency can guaranty up to 85 percent of loans of \$150,000 and less, and up to 75 percent of loans above \$150,000. This standard applies to most variations of the 7(a) Loan Program. Loans generally range from 7 years (working capital) to 25 years (real estate and equipment). SBA's 7(a) Loan Program has a maximum loan amount of \$2 million dollars. SBA's maximum exposure is \$1.5 million. Thus, if a business receives an SBA guaranteed loan for \$2 million, the maximum guaranty to the lender will be \$1.5 million or 75 percent. Costs include fixed or variable rate of loan plus guarantee fee and service fee. Only available if funds from other sources are not available. Contact your bank or visit, [www.sba.gov/category/navigation-structure/loans-grants/small-business-loans/sba-loan-programs/7a-loan-program](http://www.sba.gov/category/navigation-structure/loans-grants/small-business-loans/sba-loan-programs/7a-loan-program)
- **SBA 504 Program** – Available to businesses with less than \$7.5 million net worth, and average income of less than \$2.5 million over past two years. Long-term fixed asset loans up to 20 years, made by combination financing of SBA backed Certified Development Corporations (CDCs) and banks. Rates based on current Treasury issues plus guarantee fees of about 3%. The CDC's loan portion cannot exceed 40% of a project. Maximum SBA debenture supporting the loan can be up to \$1.35 million. Must be used for fixed assets, and must create one job for every \$50,000 of CDC's funds. Start-ups must contribute 10-20% equity to total start-up. The local CDC is the Ark-La-Tex Investment & Development Corporation, a subsidiary of The Coordinating & Development Corporation, (318) 632-2022, [www.cdconline.org](http://www.cdconline.org), or visit [www.sba.gov/category/navigation-structure/loans-grants/small-business-loans/sba-loan-programs/real-estate-and-eq](http://www.sba.gov/category/navigation-structure/loans-grants/small-business-loans/sba-loan-programs/real-estate-and-eq)
- **SBA International Trade Loan Programs** – SBA's Export Working Capital Program (EWCP) loans are targeted for businesses that are able to generate export sales and need additional working capital to support these sales. The EWCP loans can also be used to even out cash flow when exporters have negotiated longer sales terms and cannot carry the resulting receivables with their own working capital. The EWCP loan can be a short-term loan for a single contract or in the form of a line of credit that supports ongoing export sales for a period of 12 months. May not be used to refinance existing debt. Contact the New Orleans Export Assistance Office, (504) 589-2757 or visit [www.sba.gov/category/navigation-structure/loans-grants/small-business-loans/sba-loan-programs/7a-loan-program/sb](http://www.sba.gov/category/navigation-structure/loans-grants/small-business-loans/sba-loan-programs/7a-loan-program/sb)

### **USDA Rural Development Revolving Loan Program**

CDC, through its subsidiary, The Ark-LA-Tex Investment and Development Corporation, has joined with the USDA's Rural Development in making available the Intermediary Relending Program for new and growing businesses in our ten-parish Northwest Louisiana Area. Loans from \$10,000 up to \$150,000 (75% of project costs) can be financed for projects in rural areas of the parishes served by CDC. The focus of this program is to create or retain jobs. The program supplements private lenders' efforts by either participating with them on special financing projects or direct loans to borrowers who cannot qualify under private lenders' rules. Contact the Ark-La-Tex Investment & Development Corporation, (318) 632-2022, [www.cdconline.org](http://www.cdconline.org).

### **Tri-District Development Corporation (TDDC)**

TDDC provides long-term rate financing, both fixed and flexible, to qualified businesses in the twenty-nine parishes of North Louisiana. Staffed through offices in Shreveport, Monroe and Alexandria, TDDC provides business development financing for companies creating long-term permanent employment,

## FINANCING SOURCES AND FINANCIAL ASSISTANCE

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primarily in the rural regions of North Louisiana. (Loan types similar to those offered by AIDC), (318) 632-2022, [www.cdconline.org](http://www.cdconline.org).

### **Red River Valley BIDCO, Inc.**

The Red River Valley BIDCO, Inc. is a business and industry development corporation administered by The CDC. A for-profit business and industry development corporation, the RRV BIDCO supplements private lenders' efforts by either participating with them on special financing projects or direct loans to borrowers who cannot qualify under a private lender's rule. Maximum loan amount is \$1 million, (318) 632-2022, [www.cdconline.org](http://www.cdconline.org).

### **Louisiana Economic Development Corporation**

This Small Business Loan and Guaranty Program is provided through Louisiana Economic Development (LED) and facilitates capital accessibility for small businesses by providing loan guarantees to banks and other small business lenders in association with the federal State Small Business Credit Initiative (SSBCI). The program's purpose is to provide financial assistance, which will help with the development, expansion, and retention of Louisiana's small businesses. The program is administered by Louisiana Economic Development through Louisiana Economic Development Corporation (LEDC). Guarantees may range up to 75% of the loan amount, not to exceed \$1.5 million. Guarantee fee may be waived (determined by risk). **Loan Amount:** \$5,000 to \$1.5 million. **Maximum Guarantee:** 75%. **Minimum Equity Requirement:** 15% to 20%. **Application Fee:** \$0. **Quick Turnaround for Loans:** \$350,000 or less. [www.opportunitylouisiana.com/page/small-business-loan-and-guaranty-program](http://www.opportunitylouisiana.com/page/small-business-loan-and-guaranty-program)

### **Louisiana Department of Agriculture**

For companies involved in processing Louisiana agriculture and forestry products, the Louisiana Department of Agriculture offers assistance by linking agricultural/forestry related businesses with financial resources (including loans and grants), identify raw material supplies and directing such entities to various state sponsored business incentives, (225) 922-1292, [www.ldaf.state.la.us/portal/Offices/MarketingAgriculturalEconomicDevelopment/AgriculturalEconomicDevelopment/tabid/319/Default.aspx](http://www.ldaf.state.la.us/portal/Offices/MarketingAgriculturalEconomicDevelopment/AgriculturalEconomicDevelopment/tabid/319/Default.aspx)

### **Louisiana Venture Capital/Other Financial Organizations**

The information provided under this category is provided as a courtesy. No endorsement is intended by the inclusion herein of the following venture capital organizations.

- **South Coast Angel Fund** – The South Coast Angel Fund was formed to foster entrepreneurial endeavors throughout Louisiana. While ROI is absolutely the primary goal for South Coast Angels, the group also recognizes the value of supporting the entrepreneurial community for the economic benefit of the entire region. Through initiatives including informative seminars, mentoring start-up companies and early stage capital, South Coast strives to support the entrepreneurial and business environment in Louisiana, <http://southcoastangelfund.com/entrepreneurs>.
- **Louisiana Angel Network** – The Louisiana Angel Network (LAN) is a newly formed Louisiana non-profit corporation that promotes entrepreneurial growth by bringing together a network of accredited investors interested in potentially making private equity, early-stage investments into Louisiana-based Entrepreneurial Businesses, <http://louisianaangels.angelgroups.net/>.
- **Louisiana Fund I** – Louisiana Fund I is an early stage venture capital fund focused on the identification of investment opportunities emanating from research universities and other organizations in the state of Louisiana, (225) 615-8905, [www.louisianafund.com/](http://www.louisianafund.com/).
- **Source Capital Corporation** – Corporate finance, equity and debt investments. Provides venture capital for seed, start-up, first stage, second stage, acquisitions, business sales, debt placement, government-guaranteed loans. Minimum investment: \$100,000. Preferred investment: \$250,000 to \$600,000. Also, Source Capital's subsidiary, First Louisiana Business and Industrial Development

## FINANCING SOURCES AND FINANCIAL ASSISTANCE

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Corporation (First BIDCO), has certified lender status from the SBA to originate SBA 7(a) guaranteed loans, (225) 612-2583, [www.sourcecap.com](http://www.sourcecap.com)

- **Stonehenge Capital Corporation** – Functions either as originator or investor in deals created by others. Provides capital for expansions, later stage, mezzanine, leveraged buyouts, and acquisitions. Minimum investment: \$500,000; preferred investment: \$1 million to \$2.5 million. Generally, does not work with start-up companies. Prefers companies with a history of three to five years of successful sales. Recognized as a Small Business Investment Company (SBIC) by the SBA, (225) 408-3090, [www.stonehengecapital.com](http://www.stonehengecapital.com)
- **CapitalOne Southcoast, Inc.** – a wholly owned subsidiary of Capital One Financial Corporation, CapitalOne Southcoast is a New\_Orleans-based regional investment bank. The firm's primary lines of business are equity research, debt and equity sales and trading, and corporate finance. Established companies preferred, (800)-666-9174, [www.capitalone.com/bank/commercial/southcoastcapital/index.php?linkid=WWW\\_Z\\_Z\\_Z\\_BCO1\\_H1\\_01\\_T\\_BCO1](http://www.capitalone.com/bank/commercial/southcoastcapital/index.php?linkid=WWW_Z_Z_Z_BCO1_H1_01_T_BCO1)
- **BizCapital BIDCO** – BizCapital lends capital mostly to small to medium sized companies. The company funds its own loans and specializes in Asset Acquisitions, Start-Ups, Working Capital, and Business Expansion. Certified SBA and USDA Lender. Venture capital provided through affiliate Advantage Capital Partners LLC, (504) 832-1993, [www.biz-capital.com](http://www.biz-capital.com)
- **UPS Capital** – UPS Capital combine financial services with other UPS capabilities to provide the expertise and resources for companies to enhance their competitive advantage and expand their businesses by leveraging the supply chain – flow of goods, information, and funds – through a global service provider – United Parcel Service. Products and Services include Distribution Finance (Asset Based Lending and Structured Finance), Business Credit, Global Trade Finance, Leasing, and Trade Protection Services. Contact: (877) 263-8772, <http://www.upscapital.com>

### R&D Grants/Contracts for Technology-Based Companies

- **Small Business Innovation Research Grants (SBIR)** – Competitive awards. Available only to small start-up and existing technology-based companies. Eleven participating federal agencies (NASA, NIH, DOD, EPA, etc.) solicit for R&D proposals and award funding to qualified businesses. Companies submit proposals in response to specific solicitations. Agencies make SBIR awards based on degree of innovation, technical merit, and future market potential.
- **Small Business Technology Transfer (STTR)** – Competitive awards. Available only to small start-up and existing technology-based companies participating in cooperative R&D with research institutions. Five participating federal agencies (NASA, NSF, DOD, DOE, DHHS) solicit for R&D proposals and award funding to qualified businesses. Companies submit proposals in response to specific solicitations. Agencies make SBIR awards based on degree of innovation, technical merit, and future market potential. Ark-La-Tex Regional Export & Technology Center, Inc., a subsidiary of The Coordinating and Development Corporation, (318) 632-2022. Note: Information on the SBIR and STTR program also may be accessed through [www.zyn.com/sbir](http://www.zyn.com/sbir).