

## WHO CAN APPLY?

Individuals, public or private organizations, or other legal entities:

- Who are US citizens or permanent residents who hold majority ownership in the applicant
- Owe no delinquent debt to the US government
- Cannot get affordable commercial financing for the project elsewhere
- The project is located in an eligible rural area (info available at this link (<https://go.usa.gov/xz72E>))

## WHAT IS AN ELIGIBLE AREA?

- Rural areas outside of cities or towns with populations of less than 50,000
- The borrower's headquarters can be based within a larger city as long as the project service area is in an eligible rural area
- Eligible addresses for Rural Business-Cooperative programs at this link: <https://go.usa.gov/xz72E>

## HOW CAN FUNDS BE USED?

Support Existing Small Businesses and Educational Institutions to:

- Create/Retain LMI Jobs
- Buy, Build, Convert, Expand, and Repair Commercial Real Estate or Equipment
- Including Hotels, Motels, and Convention Centers
- Feasibility Studies and Professional Fees
- Pollution Control
- Aquaculture

NOTE: Ineligible loan purposes can be found in 7 CFR Part 4274.321 (available at this link: <https://go.usa.gov/xz7B8>)

## PROGRAM MISSION

**The purpose of the USDA Business Assistance Loan is to help address poverty by increasing economic activity and employment in disadvantage areas.**

You can check eligible addresses for Rural Business-Cooperative programs at this link: <https://go.usa.gov/xz72E>

Atlantic County Improvement Authority  
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### Contact Us

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### Our Website

[www.acianj.org](http://www.acianj.org)

For more information on this program visit:

- Basic program: 7 CFR Part 4274 (<https://go.usa/xJTDu>)
- Loan servicing: 7 CFR Part 1951R (<https://go.usa.gov/xunge>)
- Authorized by the Food Security Act of 1985, Pub L. 99-198 (<https://go.usa.gov/xz79X>)

# ACIA

Atlantic County Improvement Authority



## BUSINESS ASSISTANCE LOAN PROGRAM

*This program provides low interest loans to businesses to help improve economic conditions and create jobs in rural communities and disadvantaged areas of Atlantic and Cape May Counties*

# BUSINESS ASSISTANCE LOAN

- Interest Rate is fixed at Prime Rate minus 3%.
- Max loan amount is \$275,000 and funding is limited.
- Assistance loans funds cannot exceed 75% of total project costs
- Interest-Only option is available for the first 3 years
- May participate with other lending institutions
- Minimum owner equity contribution: 10%



## HIRING REQUIREMENTS



Ultimate Recipient must create or save jobs of workers in disadvantaged areas.



Employees must be Atlantic or Cape May County residents with proof of residence



Time frame to create new jobs is five (5) years.



Work in cooperation with the local workforce organization for the hiring of employees

## RATE

The USDA Business Assistance Loan interest rate will be fixed at the U.S. Fed Prime Interest Rate minus 3% with a floor of 3.5%.

## FEES

- Non-refundable application fee of \$200.
- Commitment fee of \$1,500
- Origination and admin fee of 3.0% payable at closing and eligible to be included in the principal balance.
- Legal fee not to exceed \$2,500. Unless applicant wishes to negotiate standard closing documents, the will be charged to applicant in addition to \$2,500.
- Applicant will be responsible for all other fees, including any third party institutional lender fees, appraisal and environmental fees, legal fees from outside firms. Applicants will receive a Good Faith Estimate of projected ACIA fees.

## FINANCIAL RATIOS

- Loan to Value Ratio:
  - Land and building: 80%
  - Machinery and equipment: 50%
  - Debt Service Coverage Ratio: 1.20:1

## LOAN LIMITS

The maximum loan amount for any given project is 75% of the total project cost up to \$275,000

The program's recommended levels of participation of project funding include:

- 75% maximum Business Assistance financing
- 10% minimum owner's cash/equity
- 15% minimum private banks, independent institutional lenders, other local sources

Funding participants may vary according to the funding sources available.

- The maximum loan amount and term for working capital will be evaluated on an individual basis. Factors to be considered may include project size, nature of the project, and benefits to the community.
- The applicant must commit a minimum of ten percent (10%) of the total project cost and will be required to provide proof of private cash/loan/grant availability.
- Applicants may leverage USDA Business Assistance funds with other local public and private sources.

