NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT NEBRASKA PROGRESS LOAN FUND – NPLF

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The Nebraska Department of Economic Development received funding from the U.S. Department of Treasury, State Small Business Credit Initiative, to provide loans to targeted, growing, for-profit small businesses with less than 750 employees at below market terms so that they may acquire new private investment.

ELIGIBLE BUSINESSES

For small businesses with less than 750 employees, where a majority of the business is actively engaged in one or more of the following for-profit activities:

- Research and Development
- Scientific Testing
- Manufacturing
- Data Processing
- Telecommunications
- Distribution
- Storage/Warehousing/Transportation
- Targeted Export Services (companies realizing 75% of their sales outside Nebraska or to the US Government)
- Cloud Computing
- Software Development
- Computer System Design
- Product Testing Services
- Guidance or Surveillance Systems
- Technology Licensing Services
- Data Centers
- Internal Web Portal
- Administrative Headquarters providing management and administration over previously identified activities
- 50%+ Minority or undeserved business owners
- Businesses located in federally distressed areas

ELIGIBLE USES OF FUNDING

- start-up costs
- · working capital
- · business procurement
- acquisition of intellectual property for modification or modification and use
- franchise fees
- equipment
- inventory
- purchase, construction, renovation, or tenant improvements are eligible, but the amount and use of funds may be restricted if part of a passive investment involving a non-operating company who owns the equipment or real estate being improved or funded.

GENERAL LOAN CRITERIA

- Minimum loan of \$50,000
- Maximum loan of \$2,000,000; subject to funding availability
- 0% to 4%; generally 2% to 4% interest rate
- 1% loan origination fee
- Maximum five year term
- Longer amortization periods available with balloon payments being due at maturity or 5 years whichever comes sooner
- Negotiable first payment deferral period
- Must fill a financing gap
- Must represent an expansion of credit
- At inception, NPLF funds must be matched at a ratio of at least 1 to 1 with private investment.
 A greater ratio is preferred
- NPLF loan may be in superior position on certain collateral, but will generally be inferior on all collateral pledged to the bank
- Guarantees or other credit enhancements may be required

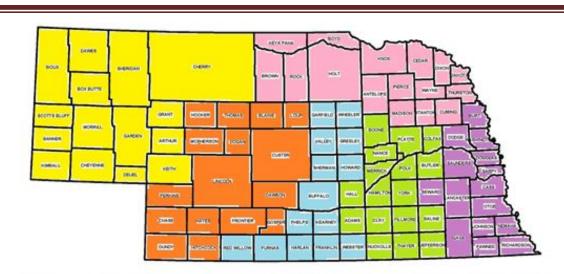
RESTRICTIONS

The program restricts many potential uses of funds including certain passive investments, purchase of goodwill, repayment of delinquent federal or state income taxes, taxes held in trust or escrow, reimbursement of funds to any owner, payment of cash dividends to owners or management, refinancing financial institution debt unless from a different lender than the one participating in the project, purchase of any portion of the owner's ownership interest in the business, payment of any personal unpaid taxes, judgments, loans or other debt, funding of any small business than will earn more than 50% of its income from financing, unless it regularly uses hedging to protect the value of its property during the normal course of business.

APPLICATION PROCESS

Application contacts on following page.

NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT CONTACTS



Nebraska Department of Economic Development Business Development Field Service Regions

Western

Starr Lehl 505A Broadway, Suite 400 Scottsbluff, NE 69361 308-631-7780 starr.lehl@nebraska.gov

West Central/Southwest

Kelly Gewecke 10210 Odessa Road Kearney, NE 68845 308-627-3151 kelly.gewecke@nebraska.gov

East Central

Deb Eggleston PO Box 71 Scribner, NE 68057 402-380-7253 Deb.eggleston@nebraska.gov

Northeast/North Central

Sheryl Hiatt, Field Service Manager PO Box 272 Spencer, NE 68777 402-340-6180 sheryl.hiatt@nebraska.gov

Central/South Central

Sheryl Hiatt, Field Service Manager P.O. Box 272 Spencer, NE 68777 402-340-6180

East/Southeast

Lynn Kohout PO Box 94666 Lincoln, NE 68509 402-440-2599 lynn.kohout@nebraska.gov

Statewide Latino Business Consultant

Marta Sonia Londono Mejia PO Box 540722 Omaha, NE 68154 402-315-0234 marta.londono@nebraska.gov

December 2014 subject to change due to new hire and retirement.

Stewart Jobes, Nebraska Progress Loan Manager

P.O. Box 94666 Lincoln, NE 68509-4666 Telephone: (800) 426-6505; Desk (402) 471-3114 Email: stew.jobes@nebraska.gov