

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



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December 2014 subject to change
due to new hire and retirement

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