

**PAWTUCKET'S BUSINESS
DEVELOPMENT CORPORATION**

LOAN PROGRAMS

COMMERCIAL VENTURES

PURPOSE: Provide matching loans to retail and service-sector borrowers, including start-ups. Eligible uses of funds include inventory and leasehold improvements.

TERM: Not to exceed three (3) years.
MAXIMUM LOAN: \$10,000.
REQUIRED LEVERAGE: 0.5:1
REQUIRED EQUITY: 20% of total project cost.
INTEREST RATE: Fixed at prime at closing for term of the loan.*
SECURITY POSITION: Senior or junior lien on all assets.
PERSONAL GUARANTEE: Required, must include lien on residence.

REAL ESTATE LOANS

PURPOSE: To enable industrial and commercial borrowers to acquire and rehabilitate real estate. Allows borrower to borrow up to 90% of the value of the real estate. Eligible activities include acquisition of land and buildings, new construction, and renovation of existing property. Loans will be targeted to older building stock. Borrowers must be owner/occupants, except by waiver of PBDC.

TERM: Not to exceed ten (10) years.
MAXIMUM LOAN: \$100,000 or higher if funds are available.
REQUIRED LEVERAGE: 3:1, except as part of a total project, then 1:1.
REQUIRED EQUITY: 10%
INTEREST RATE: Fixed at prime at closing for term of the loan.*
SECURITY POSITION: Junior lien subject to first mortgage holder or other government entity.
PERSONAL GUARANTEE: Required, may include lien on personal residence.

WORKING CAPITAL LOAN PROGRAM

PURPOSE: Provide working capital for inventory, materials, marketing, and related expenses to industrial and commercial borrowers. Relocation-related expenses for businesses moving into the City are included in this category.

TERM: Not to exceed three (3) years unless PBDC funds are used to match bank terms, which may extend term to five (5) years.
MAXIMUM LOAN: \$50,000.
REQUIRED LEVERAGE: 1:1
REQUIRED EQUITY: 10% of total project cost.
INTEREST RATE: Fixed at prime at closing for term of the loan.
SECURITY POSITION: Junior lien on all assets of business.*
PERSONAL GUARANTEE: Required, may include lien on residence.

*Interest rates are subject to change.