

GROW YOUR BUSINESS IN PALM BEACH COUNTY

 *Loans from \$10,000 and up*

 *Interest rates as low as 3%*

The Palm Beach County Department of Housing and Economic Development offers business loans with favorable terms and low rates to stimulate economic development growth and job creation.

MISSION STATEMENT:

Changing lives and transforming neighborhoods into balanced communities



Department Administration

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This institution is an equal opportunity provider and employer



Palm Beach County
Board of County Commissioners

County Administrator
Verdenia C. Baker



Palm Beach County
Business Loan Program

◆ *Personal Service*

◆ *Great Terms*

◆ *Low Rates*

NEED MONEY FOR YOUR BUSINESS?

*Supporting a Broad Range of
New & Existing Businesses
in Palm Beach County*

September 2023

BUSINESS LOAN PROGRAM

The Business Loan Program implements several loan funds to support a broad range of new and existing businesses located in Palm Beach County.

◆ *Uses:*

- Real Estate Acquisition
- Construction or Renovation
- Machinery & Equipment
- Working Capital
- Line of Credit

◆ *Objectives:*

- Support borrowers who are unable to access traditional lenders or receive favorable terms
- Provide long term fixed or variable rate financing at interest rates lower than conventional loans
- Offer subordinated financing to borrowers to fill a financing gap between private lenders & equity investments
- Increase economic activity & create jobs by stimulating business development & investment

◆ *Guarantees:*

Personal guarantees are required of all persons owning 20% or more of the business.

◆ *Program Basics:*

Borrowers: Generally, private, for-profit businesses with 2+ years of operations. "Start-Ups", for-profit businesses with less than 2 years of operations, are eligible for Micro-Loans.

Borrowers Contributions: At least 10% of the total project cost.

Fees: Application fee is \$100 to \$1,000 depending on the loan fund. Closing costs are 2% to 3% of the amount borrowed depending on the loan fund. Attorney fees and other related costs are paid by the borrower.

Job Creation: If required by the loan fund, job creation criteria must be met within five years of receipt of funds.

◆ *Matching:*

If the business is located within the city limits of Boca Raton, Boynton Beach, Delray Beach, Jupiter, Palm Beach Gardens, West Palm Beach or Wellington, a required match to the loan must be provided by the municipality.

◆ *Collateral:*

All loans, including lines of credit, require collateral.

◆ *Review Criteria:*

All loans are subject to underwriting and review of the following:

- Cash flow
- Collateral coverage
- Credit history
- Business tax returns or audited financial statements

LOAN FUNDS OVERVIEW

HUD Section 108 Loans

Area: Palm Beach County

Amounts: Up to 40% of total project cost

Rate: Three Months Treasury Bill rate plus 130-300 basis points

Term: 7 to 20 years

USDA IRP Loans

Area: Rural cities of Belle Glade, Pahokee & South Bay as well as unincorporated areas in the Glades such as Canal Point

Amounts: Up to 75% of total project cost or up to \$150,000, whichever is lower

Rate: Fixed at 3%

Term: 7 to 20 years

CDBG Micro-Loans

Area: Palm Beach County

Amounts: Up to \$25,000

Rate: Minimum of 5% fixed

Term: 3 to 5 years

EPA Brownfields Loans

Area: Designated Brownfield area within Palm Beach County

Amounts: Up to 80% of total project clean-up costs

Rate: Fixed at 3%

Term: 5 to 15 years

Energy Loans

Area: Palm Beach County

Amounts: \$15,000 to \$150,000, but no more than 90% of the total project cost

Rate: Fixed at 3%

Term: Not to exceed 10 years

SBA 504 Loans & Debt Refinancing

Referrals to SBA Certified Development Companies serving Florida, including Palm Beach County, for the provision of affordable long-term capital for the purchase of major fixed assets and/or relief from high-interest commercial mortgage debt.