

2010 LOAN PROGRAMS AND FINANCING OPTIONS

A Comprehensive List of Loan Programs and Financing Options, with Emphasis on Programs Serving
Whatcom, Skagit and San Juan County Businesses

Prepared by Western Washington University's
Center for Economic Vitality
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Affiliated Tribes of Northwest Indians Economic Development Corporation

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Tribal Business Revolving Loan Fund

- Targets Native American owned businesses, tribally owned businesses, or individually owned Indian businesses – all must be at least 51% native owned.
- Funds may be used for equipment, inventory, building purchase or improvement, working capital and many other purposes.
- Collateral is required, although requirements are more flexible than those of a commercial bank
- Interest rates are fixed, and are comparable to bank rates; terms of loans range up to ten years.
- Maximum loan amount is generally \$125,000, in certain cases more is available

Bellingham/Whatcom Economic Development Council

Nancy Jordan / www.nwecon.org

(360) 676-4255/ nancy@bwedc.org

Economic Development Revolving Loan Fund (RLF)

- Whatcom County manufacturers are eligible. Preference is for businesses that will add to economic diversity (i.e., not retail or personal services)
- Funds can be used for equipment, land, buildings, expansion of a facility, and smaller portions for working capital.
- Must provide new jobs - 1 job per \$30,000 of public sector funds invested is recommended.
- Must be unable to secure full conventional financing
- Applicant and bank must pledge at least \$2 for every \$1 from the EDC
- At least 20% of the financing must be from the applicant
- Personal and corporate guarantees are required
- Interest rates are less than prevailing rates in the area for loans of similar size, maturity and purpose
- Loans may amount to as much as 30% of the total financial package but typically will not exceed \$75,000.

Economic Development Investment Program (EDI)

- Provides financing to Whatcom County “public facilities” through low interest loans, grants, or a combination of both.
- Eligible applicants are public entities or local governments and include but are not limited to: the county, cities, port, PUD, water and sewer and other districts.

Note: Loan Programs and Financing Options are subject to change. Although this list is periodically updated, there is a chance that changes have occurred. For the most current information, please contact the person(s) designated under each program.

- Private sector is not directly eligible for funds; however, through the public entities and local governments, private sector projects can be financed if they support retention, expansion or attraction of a business or they increase employment opportunities in Whatcom County.
- Projects must be consistent with the Whatcom County Comprehensive Plan and/or, if applicable, the Greater Whatcom Comprehensive Economic Development Strategy (Project List) or the comprehensive plan of the city or town affected by the project.
- To be considered, a project must have a minimum size of \$25,000, and have at least a 10% match.

City of Blaine

John Paradis, Sterling Savings Bank Manager
 (360) 332-5565/ john.paradis@sterlingsavings.com
www.ci.blaine.wa.us/

Washington Rural Economic Development (RED) Revolving Fund

- City of Blaine property owners, owners of businesses, start-ups and nonprofits are eligible
- Funds can be used to improve the appearance of building facades, signage or other structural improvements in compliance with City adopted design and signage standards; to improve parking, landscaping and the general exterior appearance of the building; to refinish the interior of the building in order to provide an enhanced commercial environment; to refinance; and to assist in the start-up of new business opportunities
- NO INTEREST loans (but does have 1% loan fee); terms are flexible based on needs of business (usually up to 5 years)
- Loan amounts vary, may go up to \$50,000

City of Sumas

Bob Bromley
 (360) 988-5711/ mayorbromley@cityofsumas.com
www.cityofsumas.homestead.com

City of Sumas Economic Development Fund

- Private or public entities within the Sumas industrial zone and the commercial districts are eligible
- Funds can be used for qualifying projects designed to achieve job creation or business retention, to add or upgrade **nonelectrical** infrastructure, to add or upgrade health and safety facilities, to accomplish energy and water use efficiency improvements, including renewable energy development, or to add or upgrade emergency services in any designated qualifying rural area.
- Funds can be in the form of grants or loans; amount varies
- Interest rates can be as low as 0 percent; terms are up to 10 years (or longer should conditions or circumstances of the project be deemed necessary by the board).

Community Capital Development

Roland Chaiton, VP/Loan Officer
 (206) 324-4330 x111/ rolandc@seattleccd.com
www.seattleccd.com

Note: Loan Programs and Financing Options are subject to change. Although this list is periodically updated, there is a chance that changes have occurred. For the most current information, please contact the person(s) designated under each program.

Access to Capital Financing Products

- Eligible businesses are start-ups, businesses under 2 years in operation and not yet bankable; and established businesses in operation greater than 2 years, but facing new challenges; Businesses whose commercial bank needs a loan partner, due to the size of loan and/or client's collateral situation.
- Funds can be used for equipment, furniture, inventory, manufacturing or technology-based production needs, working capital, commercial (not residential) real estate, franchises, contract financing, construction contractor receivables, or some cash flow restructuring
- CCD has specific loan programs that cover loan requests from \$5,000 to \$250,000. We will determine which loan program is most suitable to an applicant's situation. Our offerings include some specific loan programs in Skagit and Whatcom Counties particularly for Latinos, minorities, women. We also have a specific loan program for Veterans in WA State, as well as for Rural Businesses in communities with populations under 25K. And, we have loan funds available to all applicant's who can qualify, throughout WA State.
- Lender for SBA 7A (original) program, as well as SBA Express, SBA Patriot, and operates the SBA Microloan Program in 23 counties.
- Lender for USDA's Intermediary Relending Program (IRP) covering rural areas, with pop.< 25K, in 7 counties (Pierce, King, Snohomish, Skagit, Whatcom, Island, San Juan) .
- Additionally, CCD has some special programs oriented toward women owned businesses:
<http://www.seattleccd.com/wbcmain/financing.htm>

Community Relief Fund

http://www.kresge.org/index.php/what/community_relief_fund/

- Interest free bridge loans to front line human services organizations so that they can address increasing demand for their services
- Directed to homeless and domestic-violence shelters, safety-net providers, affordable housing and supportive services, legal aid services, emergency assistance providers, and multi-service health and human service organizations.

Department of Commerce – State of Washington

Managing Director, Local Government division

John LaRocque / john.larocque@commerce.wa.gov / 360.725.3166.

Rural Washington Loan Fund

- Gap financing resource for businesses in (HUD) non-entitled rural areas (Island, San Juan, Skagit- except Mt. Vernon and Anacortes and Whatcom Counties –except Bellingham - are considered “rural”). Non-entitlement areas include those units of general local government which do not receive CDBG funds directly from HUD as part of the entitlement program (Entitlement Cities and Urban Counties). Non-entitlement areas are cities with populations of less than 50,000 (except cities that are designated principal cities of Metropolitan Statistical Areas), and counties with populations of less than 200,000.
- Funding cannot exceed one third of the total project cost
- Funds can be used for acquisition, engineering, improvement, rehabilitation, construction, operation, or maintenance of any property, real or personal, that is used or is suitable for use by an economic enterprise. Working capital term loans are eligible costs
- Project must help create and maintain one job for every \$35,000 of Rural Loan Funds.
- Loans up to \$1 million per project

Forest Products Revolving Loan Fund

Note: Loan Programs and Financing Options are subject to change. Although this list is periodically updated, there is a chance that changes have occurred. For the most current information, please contact the person(s) designated under each program.

- Provides assistance to small and medium-sized forest products companies for projects that involve value-added processing of the State's timber resources
- Funding can be used to finance machinery, equipment, fixtures, real estate, engineering costs, construction, inventory, and working capital
- Loan must be matched 1:1 by non-federal funds
- Term and interest rate of loan negotiable. Average term is 10 years.
- Loans from \$50,000 to \$1,000,000

Community Development Block Grant Float Loans

(Available to businesses through cities and counties eligible to receive Washington State Small Cities Community Development Block Grant Program assistance)

- All Skagit County cities are eligible except Mt. Vernon and Anacortes; only Whatcom County cities outside Bellingham are eligible.
- An unconditional, irrevocable letter of credit is required from the business
- Jobs must be created or retained (one for every \$35,000)
- Interest rates are negotiable and generally half of prime.
- Term for the float loan is 30 months max.
- Size of loan varies

HUD Section 108 Guaranteed Loans

<http://www.hud.gov/offices/cpd/communitydevelopment/programs/108/>

- Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects.
- Cities and counties are eligible to apply for a 108 Loan Guarantee for a private business
- All Skagit County cities are eligible; only Whatcom County cities outside Bellingham are eligible
- For purposes of determining eligibility, the CDBG rules and requirements apply.
- Collateral must be pledged equal to at least 120 percent of the loan amount
- Terms are up to 20 years
- Loans from approximately \$700,000 up to \$7 million

State of Washington Department of Commerce

Child Care Facility Fund (CCFF) Program – Provides financial and technical assistance to eligible organizations/businesses to start or expand Department of Early Learning (DEL) licensed child care center facilities. DEL licensed home care providers are not eligible for financial assistance.

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www.commerce.wa.gov/ccff

Amanda Jackson
 (360) 725-4685
amanda.jackson@del.wa.gov
www.del.wa.gov/providers-educators

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Child Care Facility Fund Loan

Funds can be used to purchase land or buildings; make improvements in an existing DEL licensed child care facility; purchase child care program equipment; or pay for operational costs during the first three months of a new facility.

- For-profit and non-profit childcare providers are eligible to apply
- Loans are reviewed for approval on a quarterly basis by a board comprised of child care and financial experts
- Interest rates at 5%; flexible terms
- Loans from \$25,000 to \$100,000

Child Care Facility Fund Grant

- Applicants must match the grant on a dollar-for-dollar basis with cash, goods, or in-kind services
- For-profit and non-profit childcare providers are eligible to apply
- Grant funds can only be used to purchase health and safety improvements or equipment for child care center facilities
- Grants are reviewed for approval on a quarterly basis by a board comprised of child care and financial experts. Grant funds are very limited and often fully committed early in each new state fiscal year. Check with program staff for availability of grant funds.
- Grants from \$5,000 to \$25,000 are available to eligible applicants

CCFF Funds cannot be used for:

- Refinancing projects
- Travel expenses
- Debt Retirement
- Political or religious purposes
- Organizations/businesses without DEL licensing

Department of Community, Trade, and Economic Development

Brownfields Revolving Loan Fund

Dan Koroma

(360) 407-7187/ dkor461@ecy.wa.gov

Tom Stilz

(360) 725-4045/ toms@cted.wa.gov

www.cted.wa.gov/brownfields

Provides funds to eligible public or private or prospective owners and non-profit organizations involved in environmental cleanup and redevelopment of commercial or industrial properties that are idled, underutilized, or abandoned as a result of real or perceived contamination (known as Brownfields).

- Project must result in job creation/retention and a redevelopment plan.
- All loans require collateral

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- Interest rates are below market rate; terms up to 5 years;
- Loans can range from \$10,000 to \$500,000; larger loans may be available depending on situation

Evergreen Business Capital

Aaron Shanks

800-878-6613/ cell: 206-577-1429 Aaron.Shanks@Evergreen504.com

www.evergreen504.com

Rural Loan Program

- Administered in assistance with the USDA, this loan program provides businesses in rural communities with access to capital that otherwise might be difficult to obtain.
- **Cities and towns of less than 25,000 people** qualify (using 2000 Census)
- Must be located in one of the following Washington State counties:
Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, King, Kitsap, Kittitas, Klickitat, Mason, Pierce, Skagit, Skamania, Thurston and Yakima
- Create or retain jobs in the community
- Existing businesses and start-ups (if experience proven) that do not qualify for traditional bank financing are eligible
- Provides fixed asset financing for equipment, inventory, land and building acquisition or construction, leasehold improvements, refinancing, and working capital
- Competitive interest rates; terms 1- 20 years depending on purpose and collateral
- Loans up to \$250,000
- Provide up to 90% financing with senior lender bank participation, 75% without a senior lender
- No prepayment penalty
- Can be used as a down payment for other loans

SBA 504 Program

Evergreen Business Capital is a northwest's leading SBA 504 Loan Program expert with SBA Premier Certified Lender (PCLP) status

- See "SBA Loan Programs" section

New Markets Tax Credit Business Loan (dormant in 2010)

Housing and Urban Development, U.S. Department of

HUD 242 (FHA Section 242) - Helping Hospitals Get Capital Financing Contact: Headquarters (Washington, DC)

202.708.0599 or 1-877-HLTH-FHA / Web:

http://portal.hud.gov/portal/page/portal/HUD/federal_housing_administration/healthcare_facilities/section_242

- Loan program to help hospitals finance new construction, refinancing, and modernization or to purchase major movable equipment such as hospital beds, wheeled equipment, and office machines.
- Loan -to-value may not exceed 90%. Maximum loan term is 25 years. Some fees.
- FHB insure 99% of the loan amount.

Northwest Trade Adjustment Assistance Center

Judy Klinkam or Gary Kuhar, Esq.

Note: Loan Programs and Financing Options are subject to change. Although this list is periodically updated, there is a chance that changes have occurred. For the most current information, please contact the person(s) designated under each program.

(800) 667-8087/Judy at jk@nwtaac.org or Gary at gary@nwtaac.org

Regional website: www.nwtaac.org

National website: www.taacenters.org

Matching Funds

- Manufacturers, agricultural related businesses, fishing operations and service firms that have been affected by low-cost imports are eligible
- Provides matching funds to help pay for revenue and profit improvement projects
- Funds are to be applied to the cost of working with a consulting firm of business's choice
- Projects cover areas of sales and marketing, manufacturing, quality assurance and information systems, as well as other areas

Office of Minority and Women's Business Enterprises

Gerald Ballard

(360) 704-1196 / geraldb@omwbe.wa.gov

<http://www.omwbe.wa.gov/financing/ldp/index.shtml>

Washington State Linked Deposit Program

- Once a commercial loan is approved, borrower and lender need to submit a "Loan Enrollment Form." The form can be downloaded from OMWBE's website. The Form must then be faxed to OMWBE. (FAX No. 360-586-7079.)
- Borrowers work with a bank for funding. Check to see if your bank currently participates in the program.
- Borrower must be a certified minority or women business enterprise (To learn about the certification process, contact The Office of Minority and Women's Business Enterprises, (360) 704-1193, or go to OMWBE's website: <http://www.omwbe.wa.gov/certification/index.shtml>)
- Certification Applications are found on OMWBE's website. You need to only complete the "State Only" version. If a business is also interested in working on highway related projects or operating as a concessionaire at an airport, the business will need to complete one of the federal application forms. Contact OMWBE for assistance.
- Program is available for existing businesses, including start-up's.
- The loan must be for a commercial purpose to the certified firm. The funds may be used for expansion, real estate acquisition, working capital, equipment purchase, improvements, lines of credit, debt refinancing - depending upon bank approval.
- Interest rates reductions are up to 2% below the market rate (fixed or variable); terms up to 10 years
- Maximum principal loan amount is \$1 million

There is a separate Linked Deposit Program for Veterans. Contact The Washington State Department of Veterans Affairs for information on how to apply for this program. (<http://www.dva.wa.gov>)

Port of Bellingham Industrial Development Corporation

Dodd Snodgrass, Economic Development Specialist

(360)676-2500 / dodds@portofbellingham.com

www.portofbellingham.com

Industrial Revenue Bonds

Tax exempt financing is available to qualifying companies issued through the Port of Bellingham's Industrial Development Corporation. This financing mechanism offers manufacturing and processing companies the advantage of below market interest rates for purchased land, constructing buildings, upgrading existing facilities, and purchasing machinery or equipment

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- Tax exempt means interest rates up to 2 percentage points below market
- Bond amounts range from \$2 million to \$10 million (total project cannot exceed \$20 million)
- Fixed or variable rate features, long-term repayment
- Projects can be located anywhere in Whatcom County and do not have to be Port tenants

Recovery Zone Facility Bonds (RZFBs)

- Recovery Zone Facility Bonds (RZFBs) are a type of tax-exempt private activity bond like manufacturing IRBs but may be used to finance qualifying building/land/equip for trade and commercial activities.
- The Port has access to \$2,738,000 of RZFB volume cap for Bellingham downtown area and the waterfront. Projects located outside of Bellingham can also be evaluated for eligibility.

SBA Loan Programs

www.sba.gov

- The U.S. Small Business Administration (SBA) DOES NOT provide direct LOANS.
- Loans are given through private-sector lenders.
- The SBA DOES NOT have GRANTS for small businesses.
- Interest rates are at or above typical rates for commercial loans.
- SBA Loans offer longer amortization rates than most commercial loans:

Working Capital loans:	up to 7 years
Fixed asset loans:	up to 25 years

SBA 7(a) Loan Program

<http://www.sba.gov/services/financialassistance/sbaloantopics/7a/index.html>

- Funds start-up or existing businesses, for expansion/renovation, construction, land or buildings, equipment, fixtures, leasehold improvements, working capital, debt refinancing (under special conditions), change of ownership, line of credit, or inventory acquisition
- Start-ups should personally contribute cash/assets valuing at approximately 25-30% of total project cost
- Interest rates may be fixed or variable
- Loans up to \$2 million

SBA CDC/504 Loan Program

<http://www.sba.gov/services/financialassistance/sbaloantopics/cdc504/index.html>

- Funds available for expansion of existing businesses, but will entertain start-up businesses on a case-by-case basis
- Project must create or retain employment, or provide other benefits to the community
- Funds can be used for land, building purchases, construction, renovation, machinery, equipment, and leasehold improvements
- Funds CANNOT be used for working capital or inventory or debt refinancing (typically)
- Businesses must occupy at least 51 percent of an existing building
- Low-interest, fixed rates and no balloon payment
- Fully amortized loans, 20 years for real estate and 10 years for machinery and equipment
- Typical loan structure: Bank makes a first mortgage loan for 50% of the project cost; borrower is expected to come up with 10% (can increase to 15-20% for special use buildings or start-up's); remaining 40% is raised by sale of SBA-backed debentures issued by a CDC
- Requires participation of a bank, SBA and a Certified Development Company (see below)
- SBA does not guarantee the bank's loan
- Loans from \$100,000 up to \$4,000,000 depending on project and eligibility

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- New bill signed in February 2009 allows for refinancing of 504 loans and the elimination of the lender participation fee (.50 bps of the amount of the 1st DOT. And the CDC fee (equals 1.5% of the net fee).
- New energy saving public policy goal provides a 2mm debenture for “Building green” and a 4mm debenture for saving 10% in energy costs.
- Certified Development Companies to contact include:
 - Ameritrust, Kim Willis, (425) 787-6100/ kim.willis1@comcast.net
 - Evergreen Business Capital, Patti Kibbe, (206) 577-1431/ Patti.Kibbe@Evergreen504.com
 - Northwest Business Development Association, Elizabeth Rusnak, (425) 286-6673/ erusnak@nwbusiness.org

SBA Microloan Program

<http://www.sba.gov/services/financialassistance/sbaloantopics/microloans/index.html>

- Eligible businesses are start-up’s or those turned down by a bank, or those that could only get partial funding through the bank
- Applicants work with an intermediary (see below) for the loan
- Funds can be used for start-up expenses, expansions, equipment, inventory, working capital, and in some cases refinancing
- Fixed interest rates, generally around 8-13%; terms up to 6 years
- Loans from \$500 to \$35,000, funding up to 100% of the project (depending on collateral)
- Intermediaries to contact include:
 - Community Capital Development, Roland Chaiton, (206) 324-4330 x111/ rolandc@seattleccd.com
 - WashingtonCommunity Alliance for Self-Help (Cash), Irene Akio (206) 352-1945, info@washingtongcash.org / www.washingtongcash.org

SBAExpress

http://www.sba.gov/financialassistance/prospectivelenders/7a/ep/FA_PL_7ALOAN_SBAEXPRESS.html

See 7(a) requirement

- Funds start-up and existing businesses
- No collateral required up to loans of \$25,000
- Turnaround time is within 36 hours
- Interest rates are negotiable, fixed or variable; terms up to 7 years
- Loans up to \$350,000 (SBA guarantees up to 50%)

SBA CommunityExpress

http://www.sba.gov/financialassistance/prospectivelenders/7a/ep/FA_PL_7ALOAN_COMMEXPRESS.html

- See 7(a) requirements
- Funds start-up and existing businesses
- Eligible businesses include low and moderate income areas; women, minorities, vets; and those located in specific census tracts (go to www.ffiec.gov/geocode/default.htm to determine eligible areas)
- In Whatcom County, Cascade Bank, Banner Bank, Peoples Bank, US Bank, Horizon Bank, and Bank of America have SBA Express loan processing authority
- Funds can be used for expansion, equipment purchases, working capital, inventory, business acquisition, and revolving lines of credit
- No collateral required up to loans of \$25,000
- Turnaround time mostly within 36 hours
- Interest rates are negotiable, fixed or variable
- Loans up to \$250,000

SBA Patriot Express Loans Initiative

<http://www.sba.gov/patriotexpress/>

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A loan initiative for veterans and members of the military community wanting to establish or expand small businesses.

Other SBA Loan Programs

- SBA Disaster Assistance <http://www.sba.gov/services/disasterassistance/businessesofallsizes/index.html>
- CAPLines Program http://www.sba.gov/smallbusinessplanner/start/financestartup/SERV_CAPLINES.html
- Defense Loan and Technical Assistance (DELTA) Program
http://www.sba.gov/smallbusinessplanner/start/financestartup/SERV_DELTA.html
- Pollution Control Loan
http://www.sba.gov/financialassistance/borrowers/guaranteed/7alp/POLLUTION_CNTRL_7A-LOAN-PROG.html
- Qualified Employee Trusts Loan Program
<http://indus.sba.gov/financialassistance/prospective lenders/7a/splp/index.html>
- Small Business Investment Company (SBIC) Program
<http://www.sba.gov/aboutsba/sbaprograms/inv/forsbicapp/index.html>

A program to provide financial assistance to small businesses in need of growth capital

SBICs are privately owned and managed investment funds, licensed and regulated by SBA, that use their own capital plus funds borrowed with an SBA guarantee to make equity and debt investments in qualifying small businesses.

SBA Loan Programs for Exporters

Pru Balatero

(206) 553-0051/ pru.balatero@mail.doc.gov

<http://www.sba.gov/oit/finance/index.html>

Export Working Capital Program

- See 7(a) requirements
- Exporters and indirect exporters (i.e. suppliers of products or services to exporters) are eligible; must be in operation for at least one year
- Funds short-term working capital to manufacture and/or purchase goods or services for export (pre-export financing), and for export trade accounts receivables (post-export financing); can be transaction-specific financing or revolving lines of credit
- Loans up to \$2 million with 90% guarantee

International Trade Loan

- See 7(a) requirements
- Exporters and indirect exporters are eligible
- Provides financing for equipment, facilities, etc. to be used in the United States (fixed asset financing), permanent working capital, and supplies that will be used to expand existing export markets or develop new export markets
- Loans up to \$2 million

SBA Export Express Loan Program

- Borrowers eligibility determination/loan approval by SBA is made within 36 hours of Lender's request to SBA
- Exporters and indirect exporters are eligible; applicants must be in business for at least one year
- Provides transaction-specific financing for overseas orders; revolving lines of credit for export purposes; export development activities, such as participation in a foreign trade show or the translation of product literature for use in foreign markets; standby letters of credit used for bid/performance bonds or prepayment guarantees; and term loans to acquire, construct, renovate, modernize, improve or expand productive facilities or equipment to be used in the United States in the production of goods or services involved in international trade.

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- In Whatcom County, Cascade Bank, Banner Bank, Peoples Bank, US Bank, Horizon Bank and Bank of America have SBA Express loan processing authority
- Loans up to \$250,000

SBA Technology-sbir/sttr Programs

(202) 205-6450

www.sba.gov/sbir/indexsbir-sttr.html

Small Business Innovation Research Program (SBIR)

- Eligible small businesses are those that are American-owned and independently operated; for-profit; principal researcher is employed by business; company size limited to 500 employees
- Eleven federal agencies set aside a portion of their R&D funds for award to small businesses
- Phase I is the startup phase. Awards of up to \$100,000 for approximately 6 months support exploration of the technical merit or feasibility of an idea or technology.
- Phase II awards of up to \$750,000, for as many as 2 years, expand Phase I results. During this time, the R&D work is performed and the developer evaluates commercialization potential. Only Phase I award winners are considered for Phase II.
- Phase III is the period during which Phase II innovation moves from the laboratory into the marketplace. No SBIR funds support this phase. The small business must find funding in the private sector or other non-SBIR federal agency funding.

Small Business Technology Transfer Program (STTR)

- Program is geared toward public/private partnerships (businesses and non-profits)
- Eligible small businesses are those that are American-owned and independently operated; for-profit; company size limited to 500 employees
- Eligible non-profits must be located in the US; be either a nonprofit college or university, a domestic nonprofit research organization or a federally funded R&D center
- Five federal agencies set aside a portion of their R&D funds for award to small business/nonprofit research institution partnerships
- Phase I is the startup phase. Awards of up to \$100,000 for approximately one year fund the exploration of the scientific, technical, and commercial feasibility of an idea or technology.
- Phase II awards of up to \$750,000, for as long as two years, expand Phase I results. During this period, the R&D work is performed and the developer begins to consider commercial potential. Only Phase I award winners are considered for Phase II.
- Phase III is the period during which Phase II innovation moves from the laboratory into the marketplace. No STTR funds support this phase. The small business must find funding in the private sector or other non-STTR federal agency funding.

Economic Injury Disaster Loans (EIDLs)

Alfred E. Judd, Director of SBA's Disaster Field Operations Center-West

(800) 659.2955 / disastercustomerservice@sba.gov

www.sba.gov/services/disasterassistance

- Eligibility for these loans is based on the financial impact of the disaster only and not on any actual property damage
- Available to small agricultural cooperatives, private non-profit organizations of any size, and non-farm businesses who suffered economic losses due to the freezing conditions and record low temperatures between October 10th and 13th 2009 .
- Loans up to \$2 million; low 4% interest rates, and up to 30 year terms. to help meet working capital needs, such as financial obligations and operating expenses, which could have been met had the disaster not occurred.
- The deadline to apply for these loans is **February 15, 2011**

Shorebank Enterprise Cascadia

Che Wong

(206) 447-9226 x 103 / cwong@SBPAC.com

Community Loan Fund

Note: Loan Programs and Financing Options are subject to change. Although this list is periodically updated, there is a chance that changes have occurred. For the most current information, please contact the person(s) designated under each program.

- Funds working capital, equipment, inventory, building improvements, business acquisitions, real estate and debt refinancing
- Geared primarily for existing businesses that do not qualify for bank financing; will also lend to cooperative businesses and non-profit organizations
- Provides loans to businesses owned by women, minorities, and low-income individuals; businesses located in economically distressed communities; businesses in rural communities; businesses that have potential to create family-wage jobs; environmentally sustainable companies; community-based non-profits; cooperatives and child care centers.
- All loans must be secured by collateral, though collateral assessment may be more flexible than that of banks
- Interest rates are dependent on risk and are generally in the range of 9-14%; terms are generally for 3 to 5 years (some longer/shorter)
- Loan fees are 1.5% for Non-Profits and 2% for For-Profits
- Loans available from \$25,000 to \$750,000 (more in some cases)

Skagit County Council of Governments

Kelley Moldstad

(360) 416-7875/ kelleym@scog.net

Business Development Revolving Loan Fund

- Funds used for working capital, fixed assets, equipment
- Geared toward Skagit County manufacturers-new or existing
- Must save or create jobs (one per \$6,000 loaned)
- Requires 10% to 25% equity
- Collateral requirements vary (personal guarantee, equipment, fixed assets, etc.)
- Bank denial required
- Interest rates at 1% below prime, adjusted annually, term up to 10 years
- Loans from \$5,000 to \$125,000

Micro Enterprise Revolving Loan Fund

- Funds used for working capital, fixed assets, equipment
- All types of Skagit County businesses eligible, with 5 employees or less
- Must provide jobs for low- to moderate- income persons (can include owner)
- Collateral requirements vary (personal guarantee, equipment, fixed assets, etc.)
- Requires 10% to 25% equity
- Interest rate is market rate
- Loans from \$500 to \$25,000

Business Lending Revolving Loan Fund

- All types of Skagit County businesses eligible- new or existing
- Funds used for working capital, fixed assets, equipment
- Must save or create jobs, one per \$25,000 loaned, with 51% of jobs for low to moderate income persons
- Collateral requirements vary (personal guarantee, equipment, fixed assets, etc.)
- Interest rate is market rate
- Loans from \$5,000 to \$150,000

Technology Alliance

Greg Huey, Managing Director

(206) 389-7321/ greg@allianceofangels.com

Note: Loan Programs and Financing Options are subject to change. Although this list is periodically updated, there is a chance that changes have occurred. For the most current information, please contact the person(s) designated under each program.

www.allianceofangels.com

Alliance of Angels

- Alliance of Angels provides matchmaking services for investors and early-stage high-growth companies
- Each month, early stage companies are invited to present their investment opportunities to members of the Alliance
- Presenting companies are pre-screened and coached prior to presenting
- Companies must be from the Pacific Northwest (Washington, Oregon, Montana, Idaho, Lower BC)
- Preference given to companies with a strong technology component (biotech, medical devices, manufacturing, software, electronics, etc.)

U.S. Department of Agriculture- Rural Development

Sharon Exley

(360) 428-4322x159/ Sharon.exley@wa.usda.gov

www.rurdev.usda.gov

Business and Industry Guaranteed Loan Program

- Applications generated through commercial lenders
- Targets rural areas with a population of 50,000 or less
- Borrowers can be any legal entity (individuals, public and private organizations, cooperatives and federally recognized Indian tribal groups)
- Funds can be used for acquisitions, construction, modernization, conversion, expansion, repair, equipment, machinery, supplies, start-up costs and working capital; processing and marketing; leasehold improvements, cooperative stock, take out of interim financing, energy projects, and pollution control and abatement; refinancing allowed under certain conditions
- All available collateral must secure the entire loan and will normally be at least equal to the loan amount; personal and corporate guarantees are required
- Equity required is at least 10%; 20% for new businesses
- Interest rates vary and may be fixed or variable; rates are negotiated between lender and borrower; terms are up to 7 years for working capital, 15 years for equipment, and up to 30 years for real estate
- Loans up to \$5 million; may be able to go higher

Renewable Energy for Rural America Program (REAP)

- provides funding for the development and commercialization of renewable energy sources including wind, solar, geothermal, hydrogen, biomass and biofuel, to change the way people power their cars, homes, businesses and industries. Renewable energy systems include those that generate energy from wind, sun, biomass (i.e.: renewable organic farm and forest materials, excluding old growth timber, provides a geothermal source or ones that produce hydrogen from biomass or water using renewable energy. Energy efficiency projects typically involve installing or upgrading equipment to significantly reduce energy use (i.e.: replacement lighting, heat systems, cold storage units)
- loan applications generated through commercial lenders
- targets rural areas with a population of 50,000 or less
- borrowers can be ag producers, rural small businesses, public and private organizations, cooperatives
- Funds can be used for post application purchase and installation of equipment (new, refurbished, or remanufactured), except agricultural tillage equipment, used equipment and vehicles, Post application construction or project improvements (except residential), energy audits or assessments, permit and license fees, professional service fees (except for application preparation), feasibility studies and technical reports, business plans, retrofitting and construction of a new energy efficient facility (when the facility is used for the same purpose; is approximately the same size; and based on the energy audit, will provide more energy savings than improving an existing facility)
- interest rates vary and may be fixed or variable; rates are negotiated between lender and borrower
- Loans up to \$ 25 million
- projects can qualify for a combined grant and loan guarantee

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- grants cannot exceed 25% of the eligible project costs (maximum of \$500,000 for renewable energy and \$250,000 for energy efficiency projects).

Rural Broadband Access Loan

<http://www.usda.gov/rus/telecom/broadband.htm>

- Provides loans for funding the costs of construction, improvement, and acquisition of facilities to provide broadband service to eligible rural communities.

ARRA Stimulus Loan Funds

As of 6-10-10 these funds have run out and are not currently available

U.S. Department of Agriculture- Farm Service Agency

Mark Turner

(360) 354-5658x106/ Mark.turner@wa.usda.gov

www.fsa.usda.gov/dafn/directloans.htm

Direct Farm Ownership Loan

- Funds can be used to purchase land, construct or repair buildings or fixtures, or promote soil and water conservation
- Interest rates are lower than market rate; terms cannot exceed 40 years
- Loans up to \$ 300,000

Guaranteed Farm Ownership Loan

- Same fund use as “Direct Farm Ownership Loan” except loan may be used to refinance debt
- Interest rates under market rate; terms cannot exceed 40 years
- Farm Service Agency guarantees up to 95% of the loan, or up to \$1,112,000.

Direct Farm Operating Loan

- Funds can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance or other operating expenses; minor improvements to buildings, costs associated with land and water development, family subsistence, or to refinance debt under certain conditions
- Interest rates are lower than market rate; terms are up to 7 years
- Loans up to \$ 300,000

Guaranteed Operating Loan

- Same fund use as “Direct Farm Operating Loan” except loan may be used to refinance debts
- Interest rates under market rate; terms cannot exceed 7 years
- Farm Service Agency guarantees up to 95% of the loan, or up to \$1,112,000

Beginning Farmer and Rancher Loan

- Targets beginning farmers and ranchers who are unable to obtain financing from commercial credit sources
- Must have 3 years of farm/ranch experience
- Farm size must not be greater than 30% of the median farm acreage in the county.
- All entity owners must be related by blood or marriage and must be eligible beginning farmers

Beginning Farmer Down Payment Farm Ownership Loan

- Targets beginning farmers and ranchers purchasing a farm or ranch; or retiring farmers that are transferring their land to a future generation of farmers and ranchers
- Farm Service Agency finances 45% (up to \$225,000) of the purchase price and/or the appraised value.

Note: Loan Programs and Financing Options are subject to change. Although this list is periodically updated, there is a chance that changes have occurred. For the most current information, please contact the person(s) designated under each program.

- Interest rate is the Direct Farm Ownership rate less 4% with a floor of 1.5%. The term is 20 years. The purchaser provides a 5% down payment and the remaining is financed through a conventional lender on a fixed term of 30 years, to a combined limit of \$1,112,000 (conventional lender's portion up to \$887,000)

Other USDA Loan Programs:

- Socially Disadvantaged Farmers/Ranchers Loan
<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=sfl>
- Youth Loan Program <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=dfi-yl>
- Emergency Farm Loan <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=efl>

Washington Economic Development Finance Authority - WEDFA

Rodney Wendt (206) 587-5634/ wedfa@wshfc.org / www.wedfa.org

- Provides access to credit markets normally only available to governmental entities
- Provides low interest loans by converting commercial loans or debt financings into tax exempt bonds
- Eligible entities include small to medium sized businesses engaged in manufacturing or processing
- Typical entities: Solid Waste disposal and processing enterprises, government institutions, nonprofit corporations, real estate developers and energy, alternative fuel and infrastructure enterprises

Our Products for Borrowers:

Tax-Exempt Industrial Revenue Bond

- WEDFA sells bonds and loans proceeds to borrower
- Loans up to \$10 million; total project capital expenditures of project is limited to \$20 million
- Eligible businesses are manufacturers or processors that are credit-worthy
- Funds are available for property acquisition, construction, renovation/expansion of existing facilities, and purchase of machinery and equipment.

Exempt Facility Bonds

- Available for certain other types of economic development projects, including solid waste disposal, and other infrastructure projects, such as airports, docks and wharves.
- Certain types of recycling and cogeneration projects.
- no dollar limit on project size

Taxable Bonds

- Available for some projects where all or part of the costs do not qualify for tax-exempt financing
- No dollar limit for many transactions.

Washington Access Fund

Kathy Gilman

(206) 328-5116 x3/ kathy@washingtonaccessfund.org

www.washingtonaccessfund.org

Assistive Technology and Business Equipment Access Fund

Note: Loan Programs and Financing Options are subject to change. Although this list is periodically updated, there is a chance that changes have occurred. For the most current information, please contact the person(s) designated under each program.

- Eligible applicants include individuals with disabilities in Washington State for home-based employment or as a small business owner.
- Loans can be used to purchase any equipment necessary to be a successful entrepreneur or employee from home (i.e. computers, printers, software, studio, office or vehicle modifications, assistive technology and related services including training to use particular equipment and devices, maintenance and repairs)
- Interest rate is 5%; terms typically range from 1 to 5 years
- Business equipment loans range up to \$25,000 for startup businesses and up to \$50,000 for established businesses

Washington Technology Center Grant Programs

Sue Hollis

(206) 616-3101/ shollis@watechcenter.org / www.watechcenter.org

<http://www.watechcenter.org/?p=Funding+Services&s=3>

Entrepreneur's Access Grant

- Geared toward Washington technology companies with less than 15 employees
- Grant maximum is \$5,000

Research and Technology Development Grant

- Geared toward Washington technology companies
- Company cash match is required; cash matching for company is 20% for Phase I and scales based on employee size for Phase II/III
- Grant maximum is \$100,000 a year for a maximum of three years

Community Food Coop

Jean Rogers / JeanR@communityfood.coop / 360.734.8158

Megan Stilp / megans@communityfood.coop

<http://communityfood.coop/community/FarmFund.html>

- Farm Fund is continuing its current grant program for local food and farming projects that support the growth of sustainable agriculture in Whatcom County, educate consumers, and increase access to local food.
- Provides grants and farm loans

Sustainable Connections

Alex Ramel / 360.647.7093 x 112 / Alex@sconnect.org

www.communityenergychallenge.org

Note: Loan Programs and Financing Options are subject to change. Although this list is periodically updated, there is a chance that changes have occurred. For the most current information, please contact the person(s) designated under each program.

Section 2 Non-Traditional, Private Funding

With the recent tight money environment, some companies have turned to non-traditional funding for their financing needs. This is a new section which will be developed over time as we become aware of more programs. This is a listing of information and is not intended as an endorsement of any one program. Borrowers should be aware that many of these programs lack the same consumer protection and are not regulated in the same manner as traditional bank funding programs.

Private Non-Bank Loans

- **Social Lending Sites**

<http://us.zopa.com/>

<http://www.prosper.com/>

<http://www.virginmoneyus.com/>

<http://www.borrow.com/>

<http://www.lendingclub.com/home.action>

- **Hard Money / Bridge Money / Private Money**

Contact: Gary Pickering, Hyak Financial Services

gary@hyakfinancial.com / 360-739-1079 Mobile or 800-893-4418 Office

Hard money is asset based financing (real estate secured) and is available on most property types. The lender can be an institution or an individual. Typically, cash flow, credit scores and other traditional underwriting criteria are not a concern for Hard Money Lenders.

- Typical Loan to Value (LTV) is 60% or less
- Usually a short term deal, under 3 years
- Higher rates and fees (points) are typical

- **Private Trading Platform Funds**

Suggest searching on *Google* or other search engine for more information

Some new Private Trading Platform funds have become available in recent months. Although this is not a traditional funding source, it appears to be an optional product for “qualified” developers” with good projects.

- For Development Projects \$5-100 million in size.
- Developer/Project Owner must have cash (and prove it), usually 10-15% of project cost.
- Cash is put into either a CD or US Treasuries in the borrower’s name.
- Project is Qualified and then Funded.

- **Revenue Loan**

provides funding to companies in exchange for a small percentage of future realized sales.

<http://www.revenueoan.com/>

Current Asset-Based Financing

- **Securities Financing**

Contact: Gary Pickering, Hyak Financial Services

gary@hyakfinancial.com / 360-739-1079 Mobile or 800-893-4418 Office

Suggest *Google* to search for more information.

A Securities Loan allows investors to borrow against their securities portfolio to create liquidity. While staying in the market investors can enjoy the benefits of dual appreciable assets.

- Can borrow up to 80% or more of the value of your security
- No maximum loan amount
- Interest Rate can be as low as 4%!
- Non-Recourse – no credit bureau reporting
- Response typically within 48 hours of receipt of quarterly report, securities statement, etc.

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- f. Funding within 7 to 10 days from contract execution
 - g. May be used to purchase real estate outright, pay off a hard money loan and more...
 - h. Loan is NOT securitized by real estate
 - i. Maintain ownership of stocks and gain if your securities rise.
- Factoring
Financial transaction whereby a business sells its accounts receivable (i.e. invoices) to a third party (called a *factor*) at a discount exchange for immediate money with which to finance continued business.
 - a. A **factor** company purchases your receivables by giving you an advance payment (usually 70-90% of total value of the receivables) up front.
 - b. After charging a small fee (2% and up) the remaining balance is released upon full receipt of payment for all the receivables/invoices.

Equity Financing

- Angel Investor Funding
 - a. Washington Angel Investor Groups
Group of private equity investors looking for strong local companies (can be start-up's or early stage companies) to invest in and generate outstanding investment returns after a three to five year period. Google: Washington Angel Investor Groups for more information [partial listing: Tacoma Angels, NW Energy Angels,, Zino Society, Keiretsu Forum, WTC Angel Network (technology preference)
 - b. Bellingham Angels
Bruce MacCormack (consulting) cascadiaconsulting@comcast.net
Marshall Macias marshall_macias@hotmail.com
www.bellinghamangels.com
 - Interested applicants must submit application through the web site to be reviewed
 - If the applicant company passes the screening process, companies are then required to make a short 15 minute presentation to the general membership at one of their bi-monthly meetings. A group of several individuals from the group of investors may subsequently choose to invest.
 - Investments typically range from \$150,000 to \$2.0 million, with individual investors providing \$25,000 to \$250,000 after the due diligence process.
 - Apply online at www.bellinghamangels.com. Further detail can be found on the site. Once you apply, you will receive a confirmation email indicating receipt of your application. The screening committee meets bi-monthly to pick 3 companies to present to the angel members. You can reply to the confirmation email and contact them if you have any further questions.
- Y Combinator
Ph: 617.576.0695
Mountain View, CA
www.ycombinator.com
 - seed funding for technology based startups.
 - Makes small investments (rarely more than \$20,000) in return for small stakes in the companies we fund (usually 2-10%)."

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Section 3 Green Grant and other green funding programs

Grants in US:

- Van Jones' site (Obamas Advisor) <http://vanjones.net/>
- Free Government Grants for Business, Women, Housing, College, Minorities, Healthcare and Personal Needs. http://www.usagovernmentgrants.org/Government_Grants.html
- Clean Tech Open <http://www.cleantechopen.com>
- Public Utility Grants for Commercial Energy Efficiency www.Inc.com

Grants in Canada

- Link to the Small Business BC program as a place to start for financing <http://www.smallbusinessbc.ca/>
- Canada Green Building Council Takes Smart Growth National Call for Volunteers for the CaGBC Technical Advisory Groups (TAGs) ... <http://www.cagbc.org/>
- Environment Canada - Environment Canada's Home Page
Environment Canada works to preserve and enhance the quality of the natural environment. <http://www.ec.gc.ca>
- Small Business and Revenue
Minister of Small Business and Revenue Photo Gallery. ... which will be featured on the LiveSmart BC website for small businesses going green. <http://www.gov.bc.ca/sbr/popt/gallery/>
- BC Hydro - For Generations
Account access, environmental issues, Power Smart program details, news items, customer service, and community involvement. <http://www.bchydro.com/>
- London Hydro
<http://www.londonhydro.com/>

Section 4 Business Support Groups

Northwest Entrepreneur Network

http://www.nwen.org/index.php?option=com_content&task=view&id=14&Itemid=26

- Alliance of Angels
- Bellingham Angel Group
- Center for Economic Vitality – Western Washington University <http://cevforbusiness.com/>
- Clean Tech Open
- MIT Enterprise Forum of the Northwest
- Oregon Entrepreneurs Network
- Pacific Northwest National Labs/Battelle <http://www.battelle.org/LABMANAGEMENT/pnnl.aspx>
- Puget Sound Venture Club
- Seattle Startup Digest
- Seattle University
- Seraph Capital Forum
- Silicon Valley Association of Startup Entrepreneurs (SVASE) <http://www.svase.org/>

Note: Loan Programs and Financing Options are subject to change. Although this list is periodically updated, there is a chance that changes have occurred. For the most current information, please contact the person(s) designated under each program.

- [Social Venture Partners](#)
- [Sirti](#)
- [Technology Alliance of Washington](#)
- [The Indus Entrepreneurs, Seattle](#)
- [University of Washington](#)
- [Tacoma Angel Network](#)
- [Worksource](#)
- [Trade Development Alliance of Greater Seattle](#)
- [Washington Small Business Development Centers](#)

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