

General Guidelines

Interest Rate:

The interest rate will be fixed at the time of the commitment of the loan. Interest rate will be determined by loan type, loan amount and amortization period.

Collateral:

Junior security position on real and fixed assets subordinated to private and quasi-public lenders.

Term:

Term will be determined by the loan type & Loan amount.

Application:

To apply, applicants must submit a one time, non-refundable fee of \$350 to cover loan processing costs.

Loan Origination Fee:

1.5% of the total requested loan amount.

Legal Fees:

Varies.

Pre-Payment Penalty:

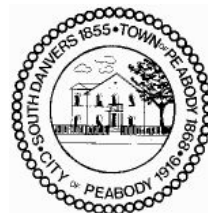
None.

Administered by:

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Disclaimer:

The CDA retains the ability to amend terms and/or program policies with a vote of the CDA. Interest rates, terms and program policies subject to change without notice.

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CDA

**Community
Development Authority**



Business Loan Program

**Telephone
978-538-5771**

CDA BUSINESS LOAN PROGRAM



Program:

The City of Peabody's proactive approach to economic development resulted in the establishment of a revolving loan pool of funds administered by the Department of Community Development and Planning and a five member quasi-public Community Development Authority (CDA). The Business Loan Program is a flexible source of loan funds for commercial and industrial projects, the purpose of which is to encourage the creation/retention of quality jobs and to increase the tax base.

How can we help?

The CDA has helped hundreds of applicants retain or expand existing business and/or help attract desirable new business to the City of Peabody by providing loans for equipment, land and/or site acquisition, construction and redevelopment.

The CDA is able to provide below-market, low-interest loans to be used to help finance small business and to bridge the gap between the cash and assets of a business owner and the equity requirements needed to obtain a commercial loan from a bank.

Project Standards:

- ◆ Businesses and projects that have the greatest potential for long-term job creation/retention are primary focus
- ◆ Applicants must demonstrate that they have a viable project and clearly identify the proposed uses of the loan proceeds
- ◆ Project must provide a new or increased source of real estate tax revenue
- ◆ Applicants must exhibit the experience, capacity and financial ability to successfully develop and manage the project
- ◆ Project must be in a high state of readiness to proceed and/or "shovel ready" for construction
- ◆ Applicant should have a minimum of a 5% equity in the project and secured primary financing from a reputable lender
- ◆ Eligible borrowers include both for profit businesses and non-profit entities.



Types of Projects:

Commercial Real Estate Development:

Development projects in which 100% of the net usable building floor area will be utilized for retail, office use or housing. Projects may be new construction and/or redevelopment.

Mixed-Use Real Estate Development:

Development projects that include a mix of retail and/or office uses and housing. Retail and/or office uses must occupy the street-level floor. Projects must conform to the City's Zoning Ordinance.

Industrial Real Estate Development Projects:

Development projects that will include some or all of the following activities:

- ◆ Manufacturing
- ◆ Assembly
- ◆ Warehousing and Distribution