

# NEW HENRY CASTLE COUNTY Enterprise LOAN FUND



The Enterprise Loan Fund is a program designed to support both retention and expansion of existing business as well as creation of new business opportunities in Henry County.

Eligibility for this loan program is based upon location within the geographical boundaries of Henry County, Indiana. Loans are targeted to industrial and commercial business organizations where the potential for job creation and retention is determined to be most feasible.

The primary goals of the New Castle-Henry County Economic Development Corporation (NCHCEDC) Enterprise Loan Fund will be to help foster the creation of new business start-ups, business retention/expansion and capital formation.

## OVERVIEW

The NCHCEDC Enterprise Loan Fund (ELF) will make available three basic loan types:

**VENTURE CAPITAL-** Funding can be provided for the gap financing necessary for new business start-up.

**FIXED ASSET -** Funding can be provided to expand and/or retain existing operations within the county. The expansion must create or retain an impactful level of employment opportunities affected by the expansion being financed.

**WORKING CAPITAL-** Working capital loans for businesses that need short term assistance to complete an expansion program. Loans will be collateralized with assets appropriate to the loan type and the activities the loan will fund.

The NCHCEDC ELF will provide only the minimum "gap" financing needed to assist the local financial institutions in completing a financing package. In this way, the ELF will compliment local resources rather lenders.

## RESPONSIBILITIES OF THE BORROWER

- A business plan that includes, but not limited to, the following information:
  - Management of the company
  - Analysis of the marketing competition
  - Internal and external financing options,
  - Financial projections shall be part of the information provided by the applicant
- Outline of the specific use of funds and how that project will contribute to the success of the business shall also be presented
- Reliable financial statements are vital in helping a lender or investors make an investment decision
- Existing business will be required to supply copies of at least three (3) years of financial history
- New business start-ups will have to provide the credit worthiness of the individual requesting the loan

## **BUSINESS PLANNING**

For business planning resources, contact the NCHCEDC office or contact the following:

### **New Castle-Henry County Economic Development Corporation**

100 S. Main Street, Suite 203  
New Castle, IN 47362  
765.521.7402 p  
765.521.7404 f  
765.524.5762 c  
[cmurphy@nchcedc.org](mailto:cmurphy@nchcedc.org)  
[www.nchcedc.org](http://www.nchcedc.org)

### **East Central Indiana Small Business Development Center**

1208 W. White River Blvd.  
Suite 126  
Muncie, IN 47303  
765.282.9950 p  
765.254.1450 f  
[eastcentral@isbdc.org](mailto:eastcentral@isbdc.org)  
[www.isbdc.org](http://www.isbdc.org)

### **Central Indiana Small Business Development Center**

Ivy Tech Lawrence Campus  
9301 E. 59<sup>th</sup> Street, Room 147  
Indianapolis, IN 46216  
317-233-7232 p  
317-917-7101 f  
[centralindiana@isbdc.org](mailto:centralindiana@isbdc.org)  
[www.isbdc.org](http://www.isbdc.org)

## **ELIGIBILITY**

Eligible applicants for financial assistance from the Enterprise Loan Fund include businesses that are for-profit and owned by any person, partnership, cooperative or corporation that will promote job creation or job retention. Business operations must exist or be locating within the geographic boundaries of Henry County, Indiana, and be creating or retaining jobs at or above the county's average compensation for comparable jobs.

## **PROGRAM TARGETS**

The Enterprise Loan Fund intends to produce at least one (1) job created or retained per \$10,000 of ELF investment. The creation of new jobs associated with the ELF investment must take place within twelve (12) months of project completion.

## **COLLATERAL & SECURITY**

Typically, 10 percent (10%) of the total project cost must be furnished by the principal of the applicant as equity infusion. The actual equity required would depend on the type of the loan and other information provided by the applicant.

Each loan shall be secured by appropriate collateral.

## **PRIVATE INVESTMENT**

ELF loans must be leveraged by a private investment of at least two dollars for every one dollar of ELF investment.

ELF Capital may not be used to:

- Acquire equity position in a private business;
- Subsidize interest payments on an existing loan;
- Provide the equity contribution required of borrowers under other federal loan programs;
- Enable the ELF borrower to acquire an interest in a business.

## **FEDERAL REQUIREMENTS APPLICABLE TO ELF BORROWERS**

All projects shall assess the significance of all environmental impacts of activities to be financed, in compliance with the National Environmental Policy Act of 1969 and other Federal environmental mandates.

**We are an Equal  
Opportunity Lender**