

# Small Business Loan Guaranty Program

The Small Business Loan Guaranty Program (SBLGP) provides access to capital for small businesses by providing loan guaranties to banks and other small business lenders.

## OVERVIEW

The federal government created the State Small Business Credit Initiative through the Small Business Jobs Act of 2010 to help increase credit availability for small businesses. As a result of this initiative, the U.S. Treasury made \$1.5 billion of federal funds available to states, territories and eligible municipalities to help create and grow small businesses. Mississippi received \$13,168,350 of these funds and created the SBLGP with this funding.

The SBLGP encourages lenders to make term loans or provide lines of credit to new or existing small businesses in a difficult credit environment to help with the development, expansion and retention of Mississippi's small businesses.

## ELIGIBILITY

To be eligible for SBLGP assistance, an entity must be:

- a new or existing small business in Mississippi employing fewer than 250 full time employees and having less than \$7,000,000 in gross revenues or \$1,000,000 in profit after taxes OR
- a Mississippi non-profit organization using financing for a business purpose.

## PROGRAM DETAILS

SBLGP loan proceeds may be used by small businesses to acquire, renovate or expand buildings, acquire machinery and equipment, for working capital, or for other eligible business purposes.

The minimum loan amount is \$50,000, and the program provides for loans of up to \$500,000 or 50 percent of the total project cost, whichever is less. Eligible applicants may receive a loan guaranty of up to 50 percent for projects involving working capital and lines of credit and a guaranty of up to 80 percent for loans used to finance fixed assets.

The term of the SBLGP loan will match the term of the participating financial institution's loan, up to the maximum maturity of 15 years. Interest is charged on the SBLGP loan guaranty. Interest and payment terms are negotiated between the participating financial institution and the small business.

For more information or to apply for this program, contact MDA's Financial Resources Division at 601.359.3552 or email [financial@mississippi.org](mailto:financial@mississippi.org).

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Contact the Mississippi Development Authority's Financial Resources Division  
at 601.359.3552 or [financial@mississippi.org](mailto:financial@mississippi.org) to learn more.