



**Pine Belt
Innovators**

Small Business Financial Resource Guide
For the Mississippi Pine Belt

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1. Introduction

The purpose of this guide is to provide entrepreneurs and early-stage companies information on potential funding opportunities for those located in the Pine Belt region of Mississippi. This guide was written because:

1. Early-stage companies have minimal time to investigate funding options
2. Information on funding opportunities for early-stage companies is fragmented and confusing
3. Without adequate funding, early-stage companies can fail, resulting in a loss of potential jobs for the surrounding region

The Pine Belt consists of Jefferson Davis, Covington, Jones, Wayne, Greene, Perry, Forrest, Lamar, and Marion counties.

Notes:

1. In consolidating this information, the authors of the document do not intend to represent any of the listed organizations or their programs. Program availability and terms frequently change, and although the authors will do their best to update this document as needed, readers should consult the responsible organization for detailed and updated program information.
2. This project is partially funded by a grant from the U.S. Small Business Administration (SBA). SBA's funding should not be construed as an endorsement of any products, opinions, or services. All SBA-funded projects are extended to the public on a nondiscriminatory basis.

2. Regional Programs

This section highlights programs available within Jefferson Davis, Covington, Jones, Wayne, Greene, Perry, Forrest, Lamar, and Marion counties. Because these programs are operated at a regional level, program contacts have a quicker response time than the state or federal levels.

The point of contact provided for each program can provide you with more detailed information, and inform you of new funding opportunities available to businesses in the Pine Belt of Mississippi.

2.1. The Area Development Partnership (ADP)

The ADP serves as the economic development organization and chamber of commerce for Lamar, Forrest, and Perry counties.

Organization Website: <http://www.theadp.com>

2.1.1. Southeast Mississippi Community Investment Corporation (SEMCIC)

SEMCIC is dedicated to helping create jobs, create and expand businesses, support non-traditional business loan seekers, and expand job opportunities for low- and moderate-income individuals in southeast Mississippi. The corporation has helped fund numerous businesses including childcare facilities, restaurants, florists, hair salons, retail stores and trucking firms.

Following is a list of loan criteria that provides a basic outline regarding SEMCIC loans:

- Amount maximum (for minority loans) is 25% of the project or \$250,000—whichever is less
- Amount maximum (for MBFC– SEMCIC loans) is 50% of the project with a maximum limit of \$100,000
- Term maximums range from 3 to 15 years depending on the purpose of the funding
- A minimum equity injection is required as follows: 10% for business expansions; 20% for business start-ups; and 5% for minority loans

- Working capital should not exceed 1/3 the amount of the total loan or \$50,000, whichever is less
- Funds can be used for the purchase or lease of land, buildings, equipment, inventory, and working capital
- Funds can be used for fixed assets, start-up costs, interest expense during construction, and professional fees. For minority loans, these funds should not exceed 2% of the total loan or \$1,500.
- Funds *cannot* be used to finance existing debt or creditors who are inadequately secured
- Funds *cannot* be used to finance speculative land; the acquisition, improvement or operation of real property, which is to be held primarily for sale or investment; closing costs

For more information, contact the ADP's Vice-President of Community Development, Annie McMillan, at (601) 296-7512.

Program website: <http://www.theadp.com/communitydev.html#semcic>

2.2. South Mississippi Angel Network (SMAN)

SMAN hosts quarterly meetings for innovative, high-growth early-stage companies to present their business investment opportunity to regional angel investors. SMAN uses the SEC definition of an accredited investor to define an angel investor, which is an individual with a net worth of \$1 million or more, or has a net income of \$200,000 or more, or joint net income with spouse of \$300,000 or more.

SMAN will work with an early-stage company to identify and reduce areas of risk, which will create a more attractive investment opportunity for the angel investors. SMAN will provide a contact to a regional business coach, review business plan, and provide recommended areas of improvement. More detail and FAQs are available on the website.

SMAN is a partnership of The ADP, Jones County Economic Development Authority, Noetic Technologies, Jones County Junior College Small Business Development Center, Business Launchpoint, Pine Belt Innovators, and other regional organizations.

To get started in SMAN, contact Sunny Corral at sunny.corral@usm.edu or 601.266.5515.

Organization Website: <http://www.southmsangels.org>

2.3. City of Hattiesburg—Department of Urban Development

The city of Hattiesburg is located in Perry and Forrest counties.

Organization Website: <http://www.hattiesburgms.com>

2.3.1. Community Development Block Grant (CDBG) Downtown Façade Improvement Program

The Façade Improvement Program was implemented by the City of Hattiesburg as an initiative for businesses to restore downtown office spaces. The grant provides a limited amount of capital to assist with the renovation of downtown storefronts.

For more information concerning the Façade Improvement Program, contact Deborah Conerly with the Hattiesburg Department of Urban Development's at dconerly@hattiesburgms.com or (601) 545-4590.

2.4. Pearl River Valley Opportunity (PRVO)

The PRVO is working to eliminate poverty within the state of Mississippi by providing financing and training opportunities to socially and economically disadvantaged individuals and businesses.

Organization Website: <http://www.prvoinc.org>

2.4.1. Intermediary Re-Lending Program (IRP)

Following is a list of loan criteria that provides a basic outline regarding IRP loans:

- Amount ranges from \$5,000 to \$150,000 (financing up to 50% of actual need)
- A minimum tangible equity injection is required equal to 5%
- Applicant(s) must sign a personal guarantee

- Adequate collateral must be pledged to secure the loan
- Funds can be used for start-up or expansion, inventory, equipment, and fixed assets (other appropriate uses of funding are provided on the PRVO Web site)
- Funds *cannot* be used to finance debt consolidation or loans to owners and/or stockholders of the business
- Funds *cannot* be used to finance media through which editorial opinions may be expressed
- Funds *cannot* be used to finance property held primarily for sale or investment
- Funds *cannot* be used to finance speculation in any kind of property including hotels, motels, tourist homes, convention centers, recreation or amusement centers
- Funds *cannot* be used to finance businesses engaged in lending, directly or indirectly

For more information, contact PRVO's Business Loan Director, Annie McMillan, at amcmillan@prvoinc.org.

Program Website: http://www.prvoinc.org/business_loans.html

2.4.2. Minority Business Enterprise Loan

Following is a list of loan criteria that provides a basic outline regarding Minority Business Enterprise loans:

- Amounts range from \$5,000 to \$250,000 (financing up to 50% of actual need)
- A minimum tangible equity injection is required equal to 5%
- Applicant(s) must sign a personal guarantee
- Adequate collateral must be pledged to secure the loan
- Funds can be used for start-up or expansion, inventory, equipment, and fixed assets (other appropriate uses of funding are provided on the PRVO Web site)
- Funds *cannot* be used to finance debt consolidation or loans to owners and/or stockholders of the business
- Funds *cannot* be used to finance media through which editorial opinions may be expressed
- Funds *cannot* be used to finance property held primarily for sale or investment
- Funds *cannot* be used to finance speculation in any kind of property including hotels, motels, tourist homes, convention centers, recreation or amusement centers
- Funds *cannot* be used to finance businesses engaged in lending, directly or indirectly

For more information, contact PRVO's Business Loan Director, Annie McMillan, at amcmillan@prvoinc.org.

Program Website: http://www.prvoinc.org/business_loans.html

2.5. Southern Mississippi Planning and Development District (SMPDD)

The SMPDD provides revolving loan financing programs designed to enhance economic development in the 15-county region that it serves—Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry, Stone, and Wayne Counties. These programs are dependent on their repayment so that they may be re-lent to other qualifying local businesses.

Organization Website: <http://www.smpdd.com/>

2.5.1. EDA Revolving Loan Fund (RLF)

The RLF program seeks to create or retain permanent full-time jobs within the 15-county SMPDD region by providing financing for fixed and operating expenses.

Following is a list of loan criteria that provides a basic outline regarding RLF loans:

- Amounts range from \$30,000 to \$200,000 (financing up to 33% of actual need)
- Term maximums range from 7 to 15 years depending on the purpose of the funding
- A minimum equity injection is required equal to 10% of the total project cost
- Business must be located within the SMPDD service region
- Business must be for-profit and create more jobs than that of the owner(s)
- Business must create one job for every \$10,000 borrowed
- Business must present two denial letters from separate lending entities stating its inability to receive funding
- Funds can be used to finance real estate, fixed assets, working capital, and inventory
- Funds *cannot* be used to finance investments in apartments, rental properties, trailer parks, etc.

- Funds *cannot* be used to finance media types such as radio stations, TV stations, newspapers, magazines, etc.

For more information, contact the SMPDD's Business Development Director, Monica Walker, at (228) 868-2311.

Program Website:

http://smpdd.com/index.php?option=com_content&task=view&id=113&Itemid=73

2.5.2. Minority Business Enterprise Loan

The Minority Business program provides fixed rate, extended-term loans for socially and economically disadvantaged businesses.

Following is a list of loan criteria that provides a basic outline regarding Minority Business Enterprise loans:

- Amounts range from \$30,000 to \$250,000 (financing up to 50% of actual need)
- A minimum equity injection is required equal to 5% of the total project cost
- Business must be located within the SMPDD service region
- Business must be at least 60% owned by a minority or woman (Minority Business Enterprise state-certification is required)
- Business must be for-profit and create more jobs than that of the owner(s)
- Funds can be used to finance real estate, fixed assets, working capital, and inventory
- Funds *cannot* be used to finance investments in apartments, rental properties, trailer parks, etc.
- Funds *cannot* be used to finance media types such as radio stations, TV stations, newspapers, magazines, etc.
- Funds *cannot* be used to finance vehicles such as airplanes or boats
- Funds *cannot* be used to finance businesses that engage in lending—directly or indirectly

For more information, contact the SMPDD's Business Development Director, Monica Walker, at (228) 868-2311.

Program Website:

http://smpdd.com/index.php?option=com_content&task=view&id=114&Itemid=73

2.5.3. Minority Business Enterprise Micro-Loan

The Micro-Loan program provides smaller fixed-rate, extended-term loans for socially and economically disadvantaged businesses.

Following is a list of loan criteria that provides a basic outline regarding Minority Business Enterprise micro-loans:

- Amounts range from \$2,000 to \$35,000 (financing up to 95% of actual need)
- A minimum equity injection is required equal to 5% of the total project cost
- Business must be located within the SMPDD service region
- Business must be at least 60% owned by a minority or woman (Minority Business Enterprise state-certification is required)
- Business must be for-profit and create more jobs than that of the owner(s)
- Funds can be used to finance real estate, fixed assets, working capital, and inventory
- Funds *cannot* be used to finance investments in apartments, rental properties, trailer parks, etc.
- Funds *cannot* be used to finance media types such as radio stations, TV stations, newspapers, magazines, etc.
- Funds *cannot* be used to finance vehicles such as airplanes or boats
- Funds *cannot* be used to finance businesses that engage in lending—directly or indirectly

For more information, contact the SMPDD's Business Development Director, Monica Walker, at (228) 868-2311.

Program Website:

http://smpdd.com/index.php?option=com_content&task=view&id=115&Itemid=101

2.5.4. Mississippi Small Business Assistance Loan

The Small Business program has made \$2,600,000 available to small businesses located within the SMPDD's 15 county region.

Following is a list of loan criteria that provides a basic outline regarding Small Business Assistance loans.

- Amounts range from \$25,000 to \$250,000 (financing up to 50% of actual need)
- Term maximums range from 3 to 15 years depending on the purpose of the funding
- A minimum equity injection is required equal to 10% of the total project cost
- Business must be located within the SMPDD service region

- Business must be for-profit and have a net worth valued at less than \$2 Million
- Business must have a net worth valued at less than \$2 Million and have had less than \$350,000 in annual after-tax profits at least twice during the past three years
- Funds can be used to finance fixed assets, working capital, and start-up costs
- Funds *cannot* be used to finance investments in apartments, rental properties, trailer parks, etc.
- Funds *cannot* be used to finance media types such as radio stations, TV stations, newspapers, magazines, etc.
- Funds *cannot* be used to finance vehicles such as airplanes or boats
- Funds *cannot* be used to finance businesses that engage in lending—directly or indirectly

For more information, contact the SMPDD's Business Development Director, Monica Walker, at (228) 868-2311.

Program Website:

http://smpdd.com/index.php?option=com_content&task=view&id=116&Itemid=102

3. State Programs

Mississippi offers many different funding opportunities for companies. The following section highlights some of the available programs.

The point of contact provided for each program can provide you with more detailed information, and inform you of new funding opportunities available to businesses in Mississippi.

3.1. Mississippi Seed Fund

The Mississippi Seed Fund is managed by the Mississippi Technology Alliance (MTA). MTA provides high-tech, start-up companies with access to pre-seed financing, early stage risk capital, and product development capital to stimulate and accelerate the development of high-performance, technology-based business ventures in Mississippi.

Eligible applicants must be in the process of commercializing advanced technology, defined as a state of the art, proprietary product, process, material, design, and/or know-how.

For questions, contact Lylla Joe (ljoe@technologyalliance.ms) for more information. You can also call the MTA office at 601.960.3610.

Program Website: <http://www.technologyalliance.ms/seed-fund/>

3.2. Mississippi Angel Network

The Mississippi Angel Network connects technology-based early-stage companies with angel investors throughout the state of Mississippi. Similarly to the South Mississippi Angel Network (SMAN), it works with companies to reduce risk and increase the attractiveness of a potential business investment opportunity for angel investors.

The network is run by Mississippi Technology Alliance (MTA), and is a partner of SMAN. Companies which participate in SMAN will have access to become involved in MTA's network, and vice a versa.

For questions, contact Lylla Joe (ljoe@technologyalliance.ms) for more information. You can also call the MTA office at 601.960.3610.

Program Website: <http://www.technologyalliance.ms/services/ms-angel-network.php>

3.3. Minority Capital Fund of Mississippi, Inc. (MinCap)

The Minority Capital Fund of Mississippi, Inc. (MinCap) seeks to provide non-traditional financing and technical assistance to 1.) minority-owned businesses, 2.) women-owned businesses, 3.) non-profit organizations, and 4.) churches located in Mississippi.

Following is a list of loan criteria that provides a basic outline regarding MinCap loans:

- Loan amounts range from \$5,000 - \$150,000, with a \$75,000 maximum for start-up businesses
- A minimum equity injection is required equal to 5% - 10%
- Collateral in the full amount of the loan is required
- Funds can be used for contract financing or other short-term receivables and inventory financing
- Funds can be used to finance start-up capital, equipment purchases, working capital, and real estate
- Funds can be used to finance loans or guarantees used to obtain normal bank financing
- Funds *cannot* be used car dealerships and investment real estate

For more information, contact MinCap's Business Development Officer, Sonya Burks, at sburks@mincap.org or at (877) 713-3322.

Program Website: <http://www.mincap.org>

3.4. Mississippi Business Finance Corporation (MBFC)

The Mississippi Business Finance Corporation coordinates a variety of state resources and financing programs to increase employment and capital investment within the state in efforts to make it more competitive in the global market.

Organization Website: <http://www.msbusinessfinance.com/>

3.4.1. Gulf Opportunity Zone Act (GO Zone)

The most significant incentives in the GO Zone Act include:

- 50% Bonus Depreciation applied to eligible business purchases (the GO Zone Act allows for a significantly accelerated depreciation deduction in addition to the normal depreciation deduction)
- Tax-Exempt Bonds used to finance various commercial projects within the GO Zone (\$4.8 Billion in tax-exempt, private activity bonds)
- 5-year Net Operating Loss (NOL) carryback (opportunity to carry back net operating losses from 2 years to 5 years and also retain the right to carry forward net operating losses for up to 15 years)
- 100% first-year equipment expense deduction for small businesses (up to \$200K)
- Expensing of demolition and cleanup charges through 2007 (up to 50%)
- Special incentives for employers including the Employee Retention Tax Credit and Work Opportunity Tax Credit (WOTC)

Other important provisions of the GO Zone Act include:

- Increase in qualified rehabilitation credit
- Increase in new market tax credit authority
- Implementation of reforestation incentives for small timber owners
- Increase in low-income tax credits
- Expensing of qualified environmental clean-up costs

For more information, contact MBFC's Bill Barry at bbarry@mbfc.cc or (601) 355-6232.

Program Website: <http://www.msbusinessfinance.com/programs.gozone.html>

3.4.2. Mississippi Small Enterprise Development Finance Program (SED)

The SED Program seeks to increase employment and investment within the state through the provision of competitive, tax-exempt loans to qualified private companies.

Following is a list of loan criteria that provides a basic outline regarding SED loans.

- Amount maximum is \$4 million
- Term maximum is fifteen years
- Most commercial businesses located within the GO Zone are eligible (if located outside the GO Zone, business must be a manufacturer or processor to be eligible)
- The business must create a minimum of ten new full-time jobs
- Loan issuance requires a letter of credit from a qualified financial institution
- Funds can be used to finance fixed assets, including land, buildings, and machinery and equipment.
- Funds *cannot* be used to finance used equipment
- Funds *cannot* be more than 90% of the financed assets' market value
- Funds *cannot* be used to refinance existing debt

Many other state incentives are available to qualifying companies and include Rural Economic Development (RED) debt service income tax credits, income tax job credits, property tax exemptions and free port exemptions.

For more information, contact MBFC's Bill Barry at bbarry@mbfc.cc or (601) 355-6232.

Program Website: <http://www.msbusinessfinance.com/programs.entdev.html>

3.5. Mississippi Development Authority (MDA)

MDA is the lead agency for economic and community development within Mississippi. It offers and co-sponsors a number of financial programs to businesses and communities within the state.

Organization Website: <http://www.mississippi.org/>

3.5.1. Agribusiness Enterprise Loan Program (ABE)

The ABE Program provides interest-free loans to qualified agribusiness borrowers engaged in the production, manufacturing, and processing of agribusiness related goods and services.

Following is a list of loan criteria that provides a basic outline regarding ABE loans:

- Amount maximum is \$200,000 or 20% of the total project cost excluding land purchases (whichever is less)
- Term maximum is 15 years
- Business must be engaged in a form of agribusiness including agriculture, aquaculture, horticulture, and related goods and services
- All loans must be 100% guaranteed by a participating financial institution lender
- Funds can be used to finance buildings, equipment, and associated costs (appraisals, title searches, etc.)
- Funds *cannot* be used to finance the purchase of land
- Funds *cannot* be used to finance working capital or existing debt

For more information, contact MDA's Financial Resources Division at financial@mississippi.org or (601) 359-3552.

Program Website: <http://www.mississippi.org/content.aspx?url=/page/3278&>

3.5.2. Capital Access Loan Program (MS CAP)

The MS CAP Program increases the availability of capital for those who may be unable to obtain conventional financing.

Following is a list of loan criteria that provides a basic outline regarding MS CAP loans:

- Amount maximum is \$150,000
- Business must be a small business, small disadvantaged business, or a minority/woman owned business
- Funds can be used to finance fixed assets, working capital, start-up costs, rental payments, interest expenses during construction, and professional fees
- Funds can be used to finance building repairs, renovations, and improvements
- Funds *cannot* be used to finance existing debt, debt consolidation, or to pay off creditors

- Funds *cannot* be used to finance construction or the purchase of residential housing
- Funds *cannot* be used to finance the purchase of real property that is held primarily for sale or investment

For more information, contact MDA's Financial Resources Division at financial@mississippi.org or (601) 359-3552.

Program Website: <http://www.mississippi.org/content.aspx?url=/page/3278&>

3.5.3. Energy Programs

The Energy Division of MDA provides a number of services and programs that aim to benefit Mississippi residents, businesses, and local governments. Among these offerings are financial programs such as loans and grants designed to increase manufacturer efficiency and economic stability.

For more information on the MDA's Energy Programs, contact the Mississippi Energy Division at energydiv@mississippi.org or (601) 359-6600.

3.5.4. Existing Industry Productivity Loan Program

The Existing Industry Productivity Loan Program provides loans to existing industries within Mississippi for the purpose of financing long-term fixed assets.

Following is a list of loan criteria that provides a basic outline regarding Existing Industry Productivity loans:

- Amounts range from \$250,000 to \$500,000 (financing up to 50% of actual need)
- Term maximum is 10 years or the estimated useful life of the fixed assets (whichever is less)
- Guarantees are required on all individuals with 20% or greater interest in the company
- Industry must have been operating within the state for at least 2 years
- Industry shall not reduce employment by more than 20% during the usage of the purchased long-term fixed assets for which the loan was granted
- Funds can be used to finance long-term fixed assets that will improve productivity and competitiveness

For more information, contact MDA's Financial Resources Division at financial@mississippi.org or (601) 359-3552.

Program Website: <http://www.mississippi.org/content.aspx?url=/page/3278&>

3.5.5. Job Protection Grant Program

The Job Protection Grant Program provides grants to “at risk” industries within the state in efforts to retain jobs and increase productivity and competitiveness.

Following is a list of grant criteria that provides a basic outline regarding Job Protection grants:

- Amount maximum is \$200,000 and must be in conjunction with a loan not exceeding 50% of project cost
- Credit information is required on all individuals with 20% or greater interest in the company
- Industry must have been operating within the state for at least 3 years
- Industry must be considered “at risk”, having lost jobs or being outsourced to another country
- Funds *cannot* be used to finance goals other than job retention and improvements in productivity and competitiveness

For more information, contact MDA’s Financial Resources Division at financial@mississippi.org or (601) 359-3552.

Program Website: <http://www.mississippi.org/content.aspx?url=/page/3278&>

3.5.6. Job Protection Loan Program

The Job Protection Loan Program provides loans to “at risk” industries within the state in efforts to retain jobs and increase productivity and competitiveness.

Following is a list of loan criteria that provides a basic outline regarding Job Protection loans:

- Amounts range from \$200,000 to \$750,000
- Term maximum is 10 years or the determined life of the project
- Industry must have been operating within the state for at least 3 years
- Industry must be considered “at risk”, having lost jobs or being outsourced to another country
- Funds can be used to finance land, buildings, and depreciable fixed assets
- Funds *cannot* be used for working capital, debt refinancing or rolling stock
- Funds *cannot* be used to finance goals other than job retention and improvements in productivity and competitiveness

For more information, contact MDA’s Financial Resources Division at financial@mississippi.org or (601) 359-3552.

Program Website: <http://www.mississippi.org/content.aspx?url=/page/3278&>

3.5.7. Minority Surety Bond Guaranty Program

The Minority Surety Bond Guaranty Program provides surety bond Guaranties to minority and women-owned businesses in order to increase their participation in government construction and building trades contracts.

Following is a list of criteria that provides a basic outline regarding the Guaranty program:

- Amount of maximum guaranty is \$175,000 for first-time companies and \$250,000 after the company's first year in the program (maximum 90% guaranty for any bond)
- Business must be able to provide reasonable evidence of inability to obtain bonding under normal market conditions
- Business must be minority or woman-owned (certified through MDA's Minority Business Enterprise Division)
- Business must be in the construction or building trade and have been in operation for at least one year before applying
- Business must agree to subcontract no more than 75% of the contract
- Funds can be used to finance construction contracts with Federal, State, and local governments

For more information, contact MDA's Financial Resources Division at financial@mississippi.org or (601) 359-3552.

Program Website: <http://www.mississippi.org/content.aspx?url=/page/3278&>

3.5.8. Research & Development Loan Program (R&D Loan)

The R&D Loan Program provides loans to create and expand private research and development or technology-based companies. All companies must meet MDA's criterion for qualifying business types.

Following is a list of loan criteria that provides a basic outline regarding R&D loans:

- Amounts range from \$250,000 to \$750,000 per project (financing up to 50% of total project cost)
- Term maximum is 10 years or the determined useful life of the project (whichever is less)

- A minimum equity injection is required equal to 10%
- Business (R&D firms) *cannot* be engaged in surveys or studies of efficiency, management, consumption, or economics; advertising or promotion; or historical or literary research
- Business (Technology firms) must be a manufacturer of plastics, automobiles, aircraft, computers or electronics, or be a computer designer or software publisher
- Business (Technology firms) must have a workforce composed of at least 10% scientists, engineers, or computer specialists
- Business must have at least 10 full-time employment positions
- Business must be financially sound, present financial evidence of ability to repay the debt, and have no history of defaults on previous government loans
- Funds can be used to finance land, buildings, and depreciable fixed assets
- Funds *cannot* be used to finance working capital, debt refinancing, or rolling stock

For more information, contact MDA's Financial Resources Division at financial@mississippi.org or (601) 359-3552.

Program Website: <http://www.mississippi.org/content.aspx?url=/page/3278&>

4. Federal Programs

The United States government provides several funding opportunities for businesses. This section highlights some of the available opportunities.

The point of contact provided for each program can provide you with more detailed information, and inform you of new funding opportunities available to businesses in the United States.

4.1. Small Business Administration (SBA) Programs

The SBA is a federal government agency providing aid and counsel to American small businesses. A number of programs are offered through the SBA to assist with the start-up and expansion of small businesses.

Organization Website: <http://www.sba.gov/localresources/district/ms/index.html>

4.1.1. 7A Program

The 7(a) loan is the most used amongst SBA's business loan programs. The loan itself is not provided by the SBA or Government but comes from a commercial lender. The SBA participates as a guarantor, reimbursing the lender for its loss (up to a percentage) in the event that the borrower defaults.

Following is a list of loan criteria that provides a basic outline regarding 7(a) loans:

- Amount maximum is \$2 Million (amounts vary depending on the specific lender's preferences, abilities, and criterion)
- Term maximums range from 7 to 25 years depending on the purpose of the funding
- Businesses must meet SBA size standards, meet financial need requirements, and be able to demonstrate ability to repay
- Businesses must meet standards and requirements set by the lender
- Other variations of the program may also require additional eligibility criterion
- Funds *cannot* be used to finance non-profit businesses

For more information, contact the SBA's regional office at (228) 863-4449.

Program Website:

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

4.1.2. 504 Program

The CDC (Certified Development Company)/504 loan program provides growing businesses with long-term, fixed-rate financing for major fixed assets such as land and buildings in efforts to further economic development within a community.

Following is a list of loan criteria that provides a basic outline regarding 504 loans:

- Amount maximums range from \$1.5 million to \$4.0 million depending on the business size and goals
- Business must create or retain one job for every \$50,000 borrowed (\$100,000 for “Small Manufacturers”)
- Funds can be used to finance the purchase and improvements of land and existing buildings, the construction or modernization of new facilities, or the purchase of long-term machinery and equipment
- Funds *cannot* be used for working capital or inventory, consolidating debt, repaying debt, or refinancing
- Funds *cannot* be used to finance businesses engaged in speculation or investment in rental real estate

For more information, contact the SBA’s regional office at (228) 863-4449.

4.2. United States Department of Agriculture (USDA)

The USDA develops and executes policy on farming, agriculture, and food. It aims to meet the needs of farmers and ranchers, promote agricultural trade and production, work to assure food safety, protect natural resources, foster rural communities and end hunger, in America and abroad.

Organization Website: <http://www.usda.gov>

4.2.1. Business and Industry Guaranteed Loans (B&I)

The B&I Program was created to improve the economic and environmental climate in rural communities through the guarantee of quality loans. Eligible

businesses include those involved in promoting environmental conservation and renewable energy systems.

Following is a list of loan criteria that provides a basic outline regarding B&I loans:

- Amounts vary depending on the nature of the business, with maximum amounts ranging from \$10 million to \$40 million
- Funds can be used to finance business and industrial acquisitions when the loan will keep the business from closing, prevent the loss of employment opportunities, or provide expanded job opportunities
- Funds can be used to finance business conversion, enlargement, repair, modernization, or development
- Funds can be used to finance the purchase and development of land, easements, rights-of-way, buildings, or facilities
- Funds can be used to finance the purchase of equipment, leasehold improvements, machinery, supplies, or inventory

For more information, contact the USDA Rural Development State Office at (228) 868-2311.

Program Website: <http://www.rurdev.usda.gov/ms/Rbbigl.html>

4.3. Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs

The SBIR and STTR programs seek to stimulate the U.S. economy by funding R&D projects in support of 11 various federal agencies' mission needs while also encouraging the commercialization of technologies, products, or services in the private sector.

Agencies involved in these programs include the Department of Defense, National Health Institute, Department of Commerce, and more.

For additional information on the federal SBIR and STTR programs visit:
<http://www.sbir.gov>

For news and a complete list of currently open and future SBIR/STTR solicitations as well as closed solicitations, visit:
<http://www.zyn.com/sbir/scomp.htm>

To receive regional SBIR and STTR news and opportunities, ask Joe Graben (Joseph.Graben-1@nasa.gov) to add your email to the MS-FAST SBIR Newsletter.