



Intermediary Relending Program (IRP)

SOUTH CENTRAL KANSAS ECONOMIC DEVELOPMENT DISTRICT through the U.S. Department of Agriculture (USDA) Rural Development (RD) offers direct loans up to \$250,000 (subject to funds availability), with a 25% required match from other sources. The program is designed to provide gap financing to assist small business concerns (SBC) in rural communities within SCKEDD's 14 county service area (communities with populations of 25,000 or less, excluding Wichita and Hutchinson). The IRP revolving loan fund provides capital that meets the needs of most start-up or existing SBCs. However, the restructuring of existing loans and payment of taxes are not eligible uses of the IRP funds.

ELIGIBILITY

- For profit, and non-profit, small business concerns located in our 14 county service area (outside the cities of Hutchinson and Wichita).

USE OF FUNDS

- Most purposes are eligible, such as the acquisition of fixed assets, inventory, machinery and equipment and the financing of accounts receivable.

LOAN AMOUNT

- Maximum loan up to \$250,000, contingent on availability of funds.

INTEREST RATE / FEES

- Fixed rate New York Prime plus 1.00% for Primary Industry and non-profits. Minimum 7%.
- Fixed rate New York Prime plus 1.50% for all other business. Minimum 7%.
- Packaging fee of 2% of the loan amount.

REPAYMENT TERMS

- Principal and interest payment schedule based on the cash flow of the business and use of proceeds -
 - Land and Buildings: up to 25 years
 - Machinery and Equipment: 7-10 years
 - Inventory and Working Capital: 5-7 years
- A pre-payment penalty **will not** be assessed on loans repaid before maturity.

COLLATERAL

- Collateral must be a first or co-first position on the collateral offered.

The IRP program requires either bank turn-down or bank participation on the collateral offered. There are no job creation requirements; however eligible projects are encouraged to employ low-to-moderate income individuals, or persons from farm and displaced families. Davis-Bacon labor wages are not applicable to the IRP program.

SCKEDD is an equal opportunity provider and employer.

**South Central Kansas Economic Development District, Inc.
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*For more information and to receive an application,
contact SCKEDD at (316) 262-7035.
<http://www.sckedd.org>*

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