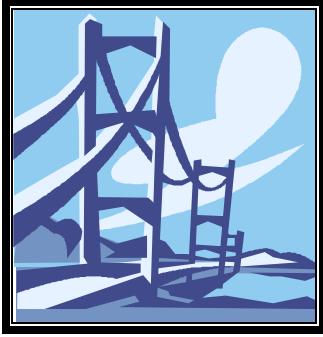


## SEMCIC Loan Criteria Provide Guidelines For Applicants

### Bridging The Gap To



### Financial Success

#### Bank Commitment Requirements:

Before the SEMCIC Administrator can present loans for review, the participating bank must provide an official commitment letter that includes the following information:

- Loan Amount
- Interest Rate
- Length of loan financing
- Collateral
- Bank's position on collateral

#### CONTACT INFORMATION:

##### Area Development Partnership

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To qualify for a SEMCIC Loan, several conditions must be met. Following is a list of the loan criteria that provides a basic outline regarding SEMCIC loans:

- **Equity Injection** is as follows: 5% for minority and micro loans, 10% for business expansions, and 20% for business start-ups.
- **Ownership** of the business must be at least 50-60% and owners must be at least a two-year resident of Mississippi, except for manufacturers.
- **Funds** may go toward the purchase or lease of land, building, equipment, inventory, and working capital. Working capital should not exceed 1/3 the amount of the total loan or \$50,000, whichever is less.  
  
Funds can be used for fixed assets, start-up costs, interest expense during construction, and professional fees. Minority and MBFC loans funds should not exceed a total loan of \$250,000.
- **Terms:** SEMCIC will finance from 3 years to 15 years depending on the use of funds. 1) Inventory - 3 years; 2) Working Capital - 5 to 7 years; 3) Equipment - 10 years; 4) Land and building - 15 years.
- **Interest Rates:** See the SEMCIC administrator for the latest prevailing interest rates.
- **Project Limitations:** For *Minority* loans, SEMCIC's contribution cannot exceed 25% of the project or \$250,000, whichever is less, *Micro* loans are direct loans that are made in the amount not to exceed \$35,000, and *MBFC* (Mississippi Business Finance Corporation), SEMCIC's participation cannot exceed 50% of the project with a maximum limit of \$100,000.
- **SEMCIC does not finance:**
  - Creditors who are inadequately secured;
  - Speculative land;
  - Existing debt;
  - The acquisition, improvement or operation of real property which is to be held primarily for sale or investment;
  - Closing costs. These must be paid for by the loan applicant and generally are 1% of the total loan amount.



## *Purpose*

*SEMCIC* is a non-profit Mississippi Corporation dedicated to the job creation, business creation and expansion, and support of non-traditional business loan seekers, as well as the expansion of job opportunities for low-and-moderate income individuals.

## *Participating Banks*

BancorpSouth Bank,  
Great Southern National Bank,  
Hancock Bank, Regions Bank, and  
Trustmark National Bank.

## *SEMCIC Targets Start-Up and Expanding Businesses*

Individuals looking to start a new business or expand an existing one in Forrest, Lamar or Perry counties have a unique option available to help provide gap financing through the Southeast Mississippi Community Investment Corporation (*SEMCIC*).

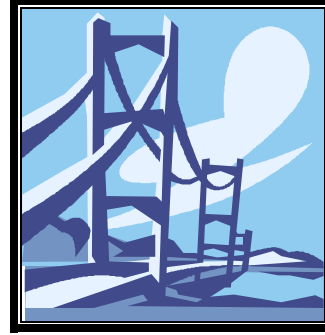
Established in 1993 by participating local banks, the corporation has approved a variety of business loans throughout Forrest and Lamar Counties. This effort is part of a partnership that's provided loans to childcare facilities, restaurants, trucking companies, retailers, tax services, and manufactures, to name a few. *SEMCIC* works closely with the Small Business Development Centers to assist applicants in preparing the necessary documents for a loan request.

## *CONTACT INFORMATION:*

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## *Bridging The Gap To*



## *Financial Success*

## *Beginning the Loan Process: What the Applicant Needs*

Before a loan request can be processed, a loan applicant must have the following:

- **\$100** non-refundable application fee to be paid to begin the loan process.
- **Business plan**, fully developed that includes all company financial statements, balance sheets and profit and loss statements for two years. New businesses should supply **Federal Income Tax Returns** for the past two years if financial statements are not available.
- **Projected profit and loss** statements and **cash flow** statements for two years.
- **Credit Consent Form**, which is attached to the application, and a **Resume**.
- **Ownership breakdown**, including Social Security number and residency information for each person who holds at least 20% or more of the business.
- **Personal Financial Statements** on each company officer.
- **Appraisals** for any land and/or buildings involved. Also include legal descriptions, certificate of title and deed of trust.
- **Job Creation and retention** must be documented. Loan recipients are required to create at least one new job, over a two year time period, for each \$10,000 loaned.
- **Collateral** must be listed along with the current market value. *SEMCIC* accepts liens on machinery & equipment, furniture & fixtures, real property, inventory, personal property, and accounts receivable.

- **Resolution** from the company's board of directors stating that the applicant has permission to borrow money on behalf of the company, if applicable.