



Job Development Authority Direct Loan Program

JDA Direct Loan Program

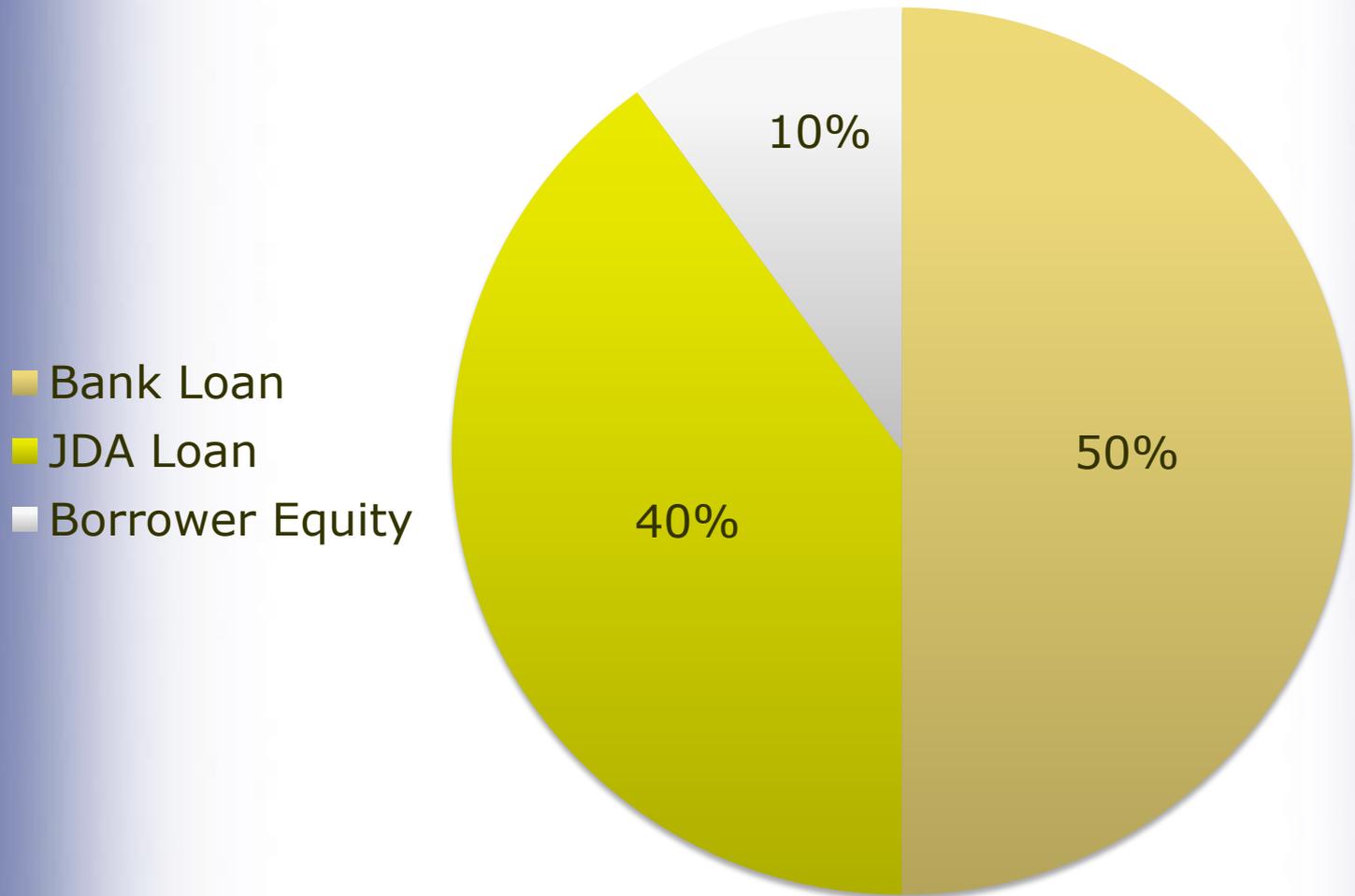
- The JDA provides Direct Loans for the growth of manufacturing and other eligible businesses within New York State.
- Funds to make Loans are derived from the sale of State-guaranteed bonds.
- In most cases, JDA Loans can be for up to 40% of the total project cost of Real Estate projects or M&E projects.

- We assist in financing a portion of the cost of acquiring and renovating existing buildings or constructing new buildings (“Real Estate” projects) or for purchasing machinery and equipment (“M&E” projects).
- Loans may be up to 60% for projects located in Empire Zones or economically distressed area.

Financing a Project

- The combination of a bank loan and a JDA Loan allows up to 90% financing of a project.
- JDA Real Estate Loan is normally a second mortgage loan, subordinate to a first-mortgage loan provided by a bank; M&E Loans are secured by a first lien, co-equal with the bank's lien, on the M&E being financed.

Typical Financing Structure



- Real Estate project costs include the cost of an existing building and renovations, purchase of land and construction of a new building and soft costs normally associated with a real estate transaction.
- M&E project costs include the cost of the machinery and its delivery, installation costs solely attributable to the machinery being purchased and soft costs related to the M&E acquisition.

JDA Eligibility

- Facilities to be used for manufacturing, distribution, warehousing and certain service businesses are eligible for JDA Loans.
- Loans for retail facilities, which customers must personally visit in order to obtain the goods or services being sold, are not eligible for JDA Loans, nor are loans for hotel or residential facilities.
- JDA does not make loans for motor vehicles, nor does JDA make Working Capital Loans.

JDA Requirements

- The Borrower must secure a letter of commitment from the bank providing the 50% financing portion of the project cost.
- The Borrower must provide at least 10% of the project cost as an equity contribution to the project.
- Personal guarantees are required from any person owning 20% or more of the Operating Company for whose benefit the JDA Loan is being made.