



**Equipment Loan Program
Below Market-Rate Gap Financing**

The Holyoke Economic Development & Industrial Corporation (HEDIC) Equipment Loan Program provides low-interest gap financing to qualified businesses. These loans are designed to fill a lending gap with a commercial lender enabling a manufacturer to purchase equipment that leads to operational efficiencies and growth.

Use: Purchase of equipment / machinery

General Requirements:

- Loan must be for the owner/user of the business and be located in Holyoke.
- Business must have been operating for 3 years and provide satisfactory financial Documentation.
- Loans made to for-profit industrial or industrial-related businesses only.
- Loan must result in a community benefit such as growing the company in Holyoke, benefiting local vendors and services as well as a commitment to hire qualified residents for employment.
- Business owner(s) including location of business must certify that it is in good standing with the City of Holyoke and Commonwealth of Massachusetts.
(see Equipment Loan Policies and Procedures document for additional lending criteria)

Loan Amount:

- Gap financing with primary lender in lead position. Amount is limited to 30% of total project cost, or up to \$100,000, whichever is less.

Interest Rate:

- 50% of the prime lending rate, fixed at date of the vote of the HEDIC Board of Directors

Terms:

- Up to 7 years, contingent upon the asset being financed.

Advantages:

- Reduced down payment requirements.
- Reduced debt service payments.

Application Fee:

- The pre-application is free of charge to submit.
- The fee for full application is \$250 and is due upon submittal.

To apply for the program, please complete the attached Pre-Application.

The Pre-Application will help determine if a business meets the basic criteria and that the funding will be used for appropriate purposes. HEDIC staff will contact and meet applicants whose businesses appear to meet the eligibility criteria and discuss the submission of a full application. An ineligible applicant will be notified.