



Suburban Development Council, Inc.

SDC EXPANDED BRIDGE LOAN GUIDELINES

SDC EXPANDED BRIDGE LOAN PROGRAM

The Suburban Development Council, Inc. (SDC) is a private non-profit organization which was created in 1983 by the Montgomery County Industrial Development Corporation (MCIDC). Neither organization is connected with local, county, state or federal government. In 2004, SDC created a new privately funded loan program which is directed toward bridge financing for small companies seeking financial assistance for various needs such as working capital, small equipment, either lease or purchase, inventory, product development, marketing and third party consulting. SDC offers loans, up to \$50,000.00, for companies in need of additional capital for such uses.

INSTRUCTIONS

Please answer all questions as completely and accurately as possible, include a Business Plan as well as business and personal financial statements and then call to arrange an appointment. At the meeting, we will discuss SDC eligibility as well as the feasibility of the program from a cost-benefit viewpoint. There is no charge for this service.

TIME FRAME

We understand that timing is everything in a business transaction, and we want you to know that we can move quickly. Once a **fully** completed application is presented to us, we can perform a financial review of your project within ten days. A full commitment letter will be written within days of Loan Committee approval and settlement can be scheduled with our solicitor. The entire process should not take more than thirty (30) days.

ELIGIBLE PROJECTS

Unlike our other loan programs, this program is designed to help those companies where alternative financing sources are needed. It is the intent of this program to work with the following types of businesses:

- existing businesses or new businesses which have key managers and a proven track record in the business or a similar business;
- businesses with less than \$2,000,000 in annual sales;
- businesses located within the greater Montgomery County area; and
- emphasis will be placed on businesses located within designated redevelopment or revitalization areas.

SDC FEES

SDC will charge an Application Fee (See Attached Fee Schedule).

SDC EXPANDED BRIDGE LOAN REQUIREMENTS

- Maximum Loan amount \$50,000.00.
- A one to one match must be provided with either applicant equity, other financing or in-kind contributions.
- Term of the loan will be for a maximum of 3 years. At expiration, a loan review will take place to determine: (i) extending the term of the loan or (ii) placement under an alternative loan program that might be more appropriate and beneficial.
- Personal guarantees will be required.
- Additional collateral will be determined on a case-by-case basis.
- The interest rate for these loans will be at a rate of prime plus a spread which will be determined upon market fluctuations, strength of the applicant/business or participation risk to SDC.
- SDC may require that "advisors" be brought on board to assist the business with specific needs. Funding for such advisors may be provided by SDC at no cost to the business.



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SDC EXPANDED BRIDGE LOAN FEE SCHEDULE

The following is a fee schedule for professional services associated with the application:

SDC APPLICATION FEE: \$250.00 (Due with the Application Submission)

FINANCIAL REVIEW FEE: NONE

LOAN ACCEPTANCE FEE: \$250.00 (Due with the Acceptance of SDC Commitment Letter)

Note: If the loan does not go to closing, the applicant shall pay counsel directly for any legal fees incurred.

SDC SOLICITOR ESTIMATED FEE FOR LOANS: This fee will normally be between \$500 and \$1,000 (plus costs) provided there are no excessive changes made to the documents.

If you have any questions regarding this schedule, please feel free to contact the SDC/MCIDC staff.

We the undersigned understand the Fee Schedule and agree to pay said fees.

Agreed to and accepted by:

Name and Title

Date