

**A small business loan  
program offered by the  
Town of Nashville.**

The town has received a Rural Business Development Grant from USDA-Rural Development to help new and existing small businesses locate or expand in the Town of Nashville.

The loan program provides the town with another economic development tool to help build a stronger Nashville.

We have arranged for technical assistance and training opportunities to help small businesses better plan and prepare their business ventures for growth and stability.

For assistance and to answer any questions not covered in this guide please contact:  
Town Manager Sandie Jones at 812- 988-5526 or ARa at 812-376-9949 .

*Town of Nashville  
P.O. Box 446  
200 Commercial Street  
Nashville, IN 47448  
(812) 988-5526*

**Town of Nashville**

*Small Business  
Development Loan*



# *Town of Nashville Small Business Development Loan Program*

## **Purpose of the Program**

The purpose of the Nashville Small Business Loan Program is to provide loans and technical assistance to businesses located in the corporate limits of Nashville who are creating or retaining employment for persons or individuals within the community.

## **Loan Criteria**

The decision to approve a loan will be based in large part on the ability of the business to demonstrate that a loan is necessary, that it will have a positive impact on employment, that the business can repay the loan, and that it has proof of sufficient collateral.

## **Who can borrow?**

A loan can be made to a new or existing business located in a corporate boundaries of Nashville. Loans will be available to applicants meeting the definition of "small and emerging private business enterprises" defined as "any private business that will employ 50 or fewer new employees and has less than \$1 million in projected gross revenues." At least 51 percent of the outstanding interest in the applicant must be owned by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence.

## **How much can be borrowed?**

- The minimum loan amount is \$5,000.
- The maximum loan amount is \$20,000.
- \$10,000 per job retained or created.
- Exceptions to this cap will be considered on a case by case basis by the loan committee.

## **How long can funds be borrowed?**

Loan term will be based on the planned use of funds and the useful life of assets to be acquired, primarily the lesser of seven years or the life of the security.

## **How can funds be used?**

Funds may be borrowed to finance working capital (inventory, receivables, operating capital), and equipment.

## **What is the interest rate?**

Interest rates will be between 2-5%, typically not to exceed prime rate by more than 2%. Repayments will be made monthly.

## **Security?**

Security shall consist of the best lien available on real estate, equipment, inventory, etc. The discounted values of the security shall equal or exceed the value of the loan. The Loan Committee may require personal guarantees and/or co-signors.



## **Is technical assistance available?**

Yes, arrangements have been made for several levels of technical assistance, geared to the needs of potential borrowers. New businesses will be expected to participate in a business plan development program, and to utilize available resources of the Small Business Development Corporation to help them develop their business plan. This assistance also includes helpful information on practical business issues, including tax issues, bookkeeping, and marketing. One-on-one technical assistance will be available to help borrowers with specific challenges they will face in operating their businesses.

## **FOR MORE INFORMATION CONTACT**

**Sandie Jones  
Town Manager**

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(812) 988-5526

or

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