

# Community Development Authority (CDA)

## BUSINESS LOAN PROGRAM – LOAN TERMS

### SMALL BUSINESS LOANS:

Maximum Loan Amount:	\$50,000
Interest Rate:	4.5%
Loan Term/Amortization:	5/5 years

### EQUIPMENT LOANS:

Maximum Loan Amount:	\$50,000
Interest Rate:	4.75%
Loan Term/Amortization:	7/7 years

### BUSINESS LOANS:

Maximum Loan Amount:	20% of the total project costs
Interest Rate:	Based on Loan Term and Amortization (see table below):

Interest Rate	Loan Term (Years)	Amortization (Years)	Description	Balloon
4.75%	10	20	Loans amortized over twenty years, balloon payment due on the tenth anniversary of the loan.	Y
4.50%	10	10	Ten year note with a ten year amortization.	N
4.25%	5	10	Loans amortized over ten years, balloon payment due on the fifth anniversary of the loan.	Y
4.00%	5	5	Five year note with a five year amortization.	N

### ADDITIONAL PROGRAM INFORMATION:

- There is a \$350 non-refundable application fee.
- Loan origination fee is 1.5% of the total loan.
- Borrower's equity should be a minimum of 5% of the total project costs.
- Loan to Value Ratio (LTV) not to exceed 85% of the appraised value of the property.
- The Community Development Authority will take a subordinate position to primary financing but will require personal and/or corporate guarantees and/or collateral.
- Any industrial, commercial, mixed use or housing development in Peabody is eligible.
- The Business Loan Program will finance fixed assets that create job opportunities and add to the tax base.
- *Disclaimer:* The CDA retains the ability to amend terms and/or program policies with a vote of the CDA. Interest rates, terms and program policies subject to change without notice.

**Further Questions:** Please contact Stacey Bernson, Assistant Community Development Director, City of Peabody, 24 Lowell Street, Peabody, Massachusetts 01960. Telephone: 978-538-5771. Email: [stacey.bernson@peabody-ma.gov](mailto:stacey.bernson@peabody-ma.gov)