



Management Assistance Partnership

manufacturing • construction • mining

An Industrial Extension Program of the University & Community College System of Nevada

Low-Cost Financing Available for Land, Buildings and New Equipment

You May Qualify for \$500,000 to \$10,000,000

If you are a Nevada manufacturer and in need of low-cost (2 to 3% below typical commercial rates) financing for real estate, buildings or new equipment, MAP may be able to help you qualify for **Nevada's Industrial Development and/or Mini-Bond Programs**.

Loans are available for job creation or retention, economic diversification, expansion of tax base, increasing exports, processing solid waste materials or recyclables, renewable energy projects or 501(c)3 nonprofit purposes.

Borrowers must be credit worthy, have a five-year operating history and present financially feasible business plans.

Bonds offer flexible terms at variable and fixed interest rates. This program has been around since 1986, and currently has \$228 million in annual federal funding. Yet many manufacturers aren't aware of its existence.

For more information, to discuss whether or not you might qualify or for a quotation for MAP to lead you through the application process, **contact MAP Project Manager**, Bob Bricca, at (775) 772-9824, or e-mail him at: bricca@mapnv.com.

**NV Industrial Bond Programs
Facilitated by MAP
Cost Comparison to Conventional Bank Financing
Typical Example**

	Bond	Bank
Cost comparison:		
Monthly interest payments over 20 years	\$2,073,435	\$4,533,493
Loan fees	20,000	35,727
Other up-front costs	41,000	\$2,000
Total costs	\$2,134,435	\$4,571,220
Monthly principal and interest payments:		
1 st 10 years	\$25,306	\$28,271
2 nd 10 years	25,306	22,231
Balloon payment after 20 years	None	\$2,473,283

Assumptions:

- o Manufacturer borrows \$4 million to purchase land and construct building for a manufacturing facility.
- o Borrower is credit-worthy with adequate collateral and desires the longest payback terms and lowest financing costs.
- o Borrower meets or exceeds all other customary lender conditions, particularly those legislatively mandated for bonds.
- o Loan-to-value ratio is only 70% for banks, 80-85% for bonds (used \$4 million principal for both bank and bond to create a fair comparison).
- o Bank loan terms are 25 years, due in 10, renewed in 10, ½% loan fee initially and when renewed, 7% per annum interest, principal and interest payable monthly and no prepayment penalty. Other bank loan up-front costs are \$1,000 legal and accounting and \$1,000 escrow fees (\$2,000 total).
- o Bond loan terms are 20 years, ½ % loan fee, 4 ½ % per annum interest, principal and interest payable monthly and no prepayment penalty. Other bond loan up-front costs are \$6,000 BFP administration, \$20,000 MAP application preparation/process, \$14,000 bond counsel and \$1,000 escrow fees (\$ 41,000 total).

