

What is ECDI's Capital for Construction Program?

It is a program that consists of three different components – lending, technical assistance, and procurement opportunities. This F.A.Q. addresses lending, specifically, the new Mobilization loan, a short-term financing option for labor and materials for a specific contract. Training sessions are required to be eligible for procurement opportunities.



What is the Capital for Construction Mobilization Loan?

The Mobilization Loan is a short-term loan (90-day) to subcontractors to fund labor and materials to jump start a project with a public or private commercial entity.

What collateral is required for a Mobilization Loan?

The Joint Payment Authorization (JPA) between the applicant, ECDI and the third party (owner or GC). The JPA is tied to a specific contract with the third party. ECDI will also file a U.C.C. financing statement.

What are the qualifications for approval?

An important factor is your contract and that the owner or GC agrees to or has signed the Joint Payment Authorization. We use our own underwriting process to evaluate your company and each project. Some typical things we evaluate are business revenue, length of time in business, tax returns, financial statements, credit score, and other similar items.

What if I don't have a contract that needs mobilized? Do you have other types of funding?

You should apply to be pre-approved into the Capital for Construction program. Once you do you have a contract, the process of funding the contract will be quicker than if you start from the beginning. ECDI also provides term loans of up to 5 years for working capital, equipment purchases, debt consolidation, and other uses.

Do I need an MBE?

Yes. If your MBE application is pending, ECDI may make an exception.

Do I or my business need strong credit?

We look at the overall capabilities of your company. Your personal credit score is only one of many factors reviewed.

What kind of fees do you charge? What are the loan sizes?

The only fees for a Mobilization loan are the application fee (\$25 per borrower), the UCC filing fee (\$12), and 5% of the loan amount. The total amount of the loan plus the 5% fee are due within 90 days. The maximum loan amount is \$150,000 and we can mobilize up to three contracts at a time. You can borrow up to 50% of the contract value.

What can I use the funds for?

Mobilization loan funds may be used for payroll; insurance costs; vendors; subcontractors; and, materials, supplies, and equipment costs, for a project with a public or private commercial entity.

Can I use the funds for other purposes?

No, these funds may only be used for the previously described purposes. Should you need other funding options outside of the scope of the project, we can help you with that as well. Mobilization funds may not be used for residential remodeling.

How long does it take to get funded?

There are two key phases, the qualification phase of the company and the project approval phase. We encourage you to get pre-qualified ahead of time so that when you need funding, all that's left is for us to evaluate the project and approve funding. Note that if your company is pre-qualified we still may not be able to fund a contact (for example, if the owner/GC will not sign the Joint Payment Authorization).

How long do I have to repay the loans?

The total amount of the loan plus the 5% fee is due within 90 days. There are no pre-payment penalties. The third party will present a check that must be endorsed by you and ECDI.

Do you require any personal collateral?

We treat the Joint Payment Authorization signed by you, ECDI and the owner or GC as your collateral. No personal collateral is required to gain financing. You will be required to sign a personal guarantee as part of the closing documents.

What other obligations are there during the Mobilization period?

During the Mobilization period, ECDI requires project status updates at 30, 60 and 90 days. ECDI will also communicate with the third party to confirm project progress.

What happens if the owner or general contractor terminates my contract?

Regardless of the reason, you will still have to repay the loan.

Can I get more money if I need it?

Once your company is pre-qualified for the Mobilization loan product, you are eligible to submit contracts to fund for one year. Annual renewal is required. Additionally, after successful repayment of your first contract, you are eligible to have up to three contracts funded at one time.

If I have filed a bankruptcy in the past, am I still eligible for a loan?

If the bankruptcy has been discharged for at least three years, you may still be eligible for a Mobilization loan. If I or my business owes taxes, can I still get a loan? We generally do not lend to those with back taxes. However, we will consider your unique situation if you meet certain requirements and if there is a tax payment plan in good standing.

For more details, please contact:

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