

MINORITY CONTRACTOR MOBILIZATION LOAN

Loan Size	<ul style="list-style-type: none"> • \$5,000 - \$150,000
Loan Terms	<ul style="list-style-type: none"> • 5% flat fee • 90 day term • Limit one draw outstanding for first borrowers • Limit three draws outstanding for repeat borrowers (not to exceed \$150,000)
Eligible Uses	<ul style="list-style-type: none"> • Labor and Material Costs of a construction contract payable within 90 days.
Ineligible Uses	<ul style="list-style-type: none"> • Working capital other than labor and material costs • Equipment purchases • Real Estate Purchase

APPLICATION REQUIREMENTS

- Registered business in Ohio
- Existing business with two years of financials and tax filings (including personal)
- Personal Financial Statement
- MBE Certification
- Operating agreement / Articles of Incorporation
- Evidence of business insurance including bonding requirements, if applicable
- Financial projections
- Executed contract with approved general contractor or construction funder including bid documents
- AIA Draw Schedule
- Joint Check Agreement

MINORITY CONTRACTOR CAPITALIZATION LOAN

Loan Size	<ul style="list-style-type: none"> • \$500 - \$350,000
Loan Terms	<ul style="list-style-type: none"> • Interest rates range from 7.25% to 12.25% (Depending on ECDI's funding sources) • 6 - 60 month terms • 2-5% closing fee
Line of Credit - Loan Size	<ul style="list-style-type: none"> • Up to \$100,000
Line of Credit - Loan Terms	<ul style="list-style-type: none"> • 9% interest rate • 12 months (must be rested for 20 days before line can be accessed again) • 2% closing fee
Eligible Uses	<ul style="list-style-type: none"> • Establishment of a new business or expansion of an existing business • Purchase of equipment, machinery, or inventory • Start-up operating costs and working capital • Purchase of an existing business • Leasehold improvements
Ineligible Uses	<ul style="list-style-type: none"> • Real estate purchases, non-profit businesses

APPLICATION REQUIREMENTS

- Registered business in Ohio
 - Existing business with two years of financials and tax filings (including personal)
 - Personal Financial Statement
 - MBE Certification
 - Operating agreement / Articles of Incorporation
 - Evidence of business insurance including bonding requirements, if applicable
 - Financial projections
- Contact Jesse Mark, MBE Program Manager, by phone at (614) 933-4185 or by email at jmark@ecdi.org to learn more about the program --



ECDI ready to unveil “Capital For Construction” Program to address financing gaps for Central Ohio minority-owned subcontractors.

Economic & Community Development Institute, in partnership with JPMorgan Chase & Co, recently launched a new program that aims to address the financing gap minority-owned construction subcontractors are faced with when submitting bids for large-scale construction contracts.

While development projects in Central Ohio are flourishing, the number of subcontractors has steadily decreased since 2000 due to the lack of short-term working capital to take on large-scale projects. This barrier has had a disproportionate

impact on small, minority-owned firms as bank financing is often out of their reach.

“We’ve seen the amount of local [subcontractor] companies decline at an alarming rate over the last 15 years,” said Nancy Tidwell, owner of NRT & Associates, a public affairs and consulting firm that specializes in assisting construction managers and owners in maximizing the inclusion of minority, female and disadvantaged businesses on major public and private construction projects throughout Central Ohio. “They are not receiving the equal opportunity to perform on these projects and very rarely is it due to the company’s ability to do the work.

ECDI and other agencies conducted a survey to assess the problem at the local level. The group found that small contractors, in particular minority contractors, are unable to withstand delays on payments from General Contractors (GCs), limiting their ability to achieve market sustainability.

More than 50% of minority contractors surveyed reported the need for advance payments to bridge the time gap between the start of construction work and payment for the work. ~66% of contractors expressed concerns about starting a construction job without the availability of an advance payment. This problem was only exacerbated by the fact that of those surveyed, over 70% claim they had been denied financing from traditional lenders.

With \$290,000 pledged to support the program from JPMorgan Chase & Co, ECDI’s “Capital For Construction” program is expected to create more than 100 construction jobs per year in Franklin County. Qualified minority contractors will have access to low-interest advance payments of \$5,000 to \$150,000 through ECDI’s lending program. Subcontractors enrolled in the program will also be able to take advantage of industry-specific training, incubation services, and mentorship opportunities, provided through ECDI’s comprehensive suite of services and programs.

“We are thrilled to partner with JPMorgan Chase to provide essential resources to minority-owned businesses in Central Ohio,” said Inna Kinney, Founder & CEO of Economic and Community Development Institute. “This partnership strengthens ECDI’s commitment to address financing gaps for new and existing MBE businesses, creating new jobs while establishing stronger business sustainability for an often neglected entrepreneur population.”

Jesse Mark, MBE Program Manager oversees this program and can be contacted for additional information by phone at (614) 933-4185 or by email at jmark@ecdi.org.