

## Small Business and Existing Forestry Industry Loan Program

The Small Business and Existing Forestry Industry Loan Program (SBEFI) provides low-interest loans to qualified small businesses and existing companies in the forestry industry to encourage the extension of conventional financing and the issuance of letters of credit to qualified Mississippi businesses.

The following entities may be eligible for a SBEFI loan:

- small businesses, defined as commercial enterprises with less than 100 full-time employees and \$7 million in gross revenues or \$750,000 in profit after taxes, and
- existing forestry industry enterprises that:
  - have their principal places of business in Mississippi
  - have operated in the state for at least two consecutive years
  - perform the initial processing of pine logs and hardwood logs for the production of lumber products or are engaged in producing poles or timbers, and
  - have employed an average of at least 15 employees in the most recent 36-month period preceding application.

An eligible financial institution must originate the SBEFI Loan application for a business. Eligible financial institutions include any commercial bank, savings bank, federal land bank, farm credit bank, agricultural credit association or other farm credit agency located in or qualified to do business in Mississippi.

Small businesses may use SBEFI loan proceeds to acquire, renovate or expand buildings, for working capital or to acquire machinery or equipment. Existing forestry industry enterprises may use SBEFI loan funds for working capital, to acquire machinery and equipment, to make upgrades and improvements to machinery and equipment or to acquire raw materials.

SBEFI loan proceeds cannot be used to pay off any existing debt for loan consolidation purposes, to finance the acquisition, construction, improvement or operation of real property primarily for sale or investment, to provide funds or free funds for speculation in any kind of property or as a loan to owners.

The maximum loan amount is 50 percent of the total project cost or \$500,000, whichever is less. The minimum loan amount is \$50,000.

The term of the SBEFI loan matches the term of the financial institution's loan, up to the maximum maturity of five years. Interest will be charged on a SBEFI loan at a rate equal to one percent above the current published prime rate at the time the loan is approved by MDA.

For more information or to apply for this program, contact MDA's Financial Resources Division.

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Contact the Mississippi Development Authority's Financial Resources Division  
at 601.359.3552 or [financial@mississippi.org](mailto:financial@mississippi.org) to learn more.