



Equipment Financing

General Lending

Emerging Technology Fund Loans finance real estate acquisition, leasehold improvements, working capital, and equipment loans for technology companies that are beginning or expanding manufacturing in Massachusetts.

Equipment Loans up to \$2 million are available for the purchase of new or used equipment.

Export Loans with advance rates up to 100% are available for the purchase of new equipment, leasehold improvements, and term working capital for businesses that currently export or plan to export.

Manufacturing Planning Loans for manufacturers' finance consultant services to evaluate and improve demand, fulfillment, and finance and administration. Up to \$50,000 with low interest rates and terms of up to five years.

Manufacturing Term Working Capital Loans with low rates and terms of up to seven years are available up to \$500,000 to finance reconfiguring operations, upgrades to plant and equipment, product development, new staff, and other costs associated with growth.

Guarantees

Export guarantees support lending institutions on term loans, equipment loans, real estate mortgages, and working capital loans to exporters. Eligible companies are Massachusetts manufacturers that currently export or are considering exporting. Borrowers may be eligible for up to 100% financing for the purchase of new machinery and equipment using MassDevelopment's 70% Export Guarantee. Working capital loans or lines of credit may also be guaranteed using MassDevelopment's Export Working Capital Guarantee or MassDevelopment's Export Insurance Program through the Export-Import Bank. The maximum guarantee available is \$500,000. A fee equal to 2% of the amount of the guarantee is due at closing plus an annual premium of 0.5% of the guarantee amount.

Working Capital Loan Guarantees allow banks to make larger working capital loans to manufacturing companies by providing a guaranty of up to 25% of the amount outstanding on a revolving line of credit. The guaranty terminates with the maturity of the line of credit and will be considered for renewal on the same cycle as the bank, but no less frequently than every three years. Term working capital loans may also be guaranteed in a fixed amount equal to no more than 25% of the bank's loan amount. The guarantee amortizes dollar for dollar with the underlying term loan for up to five years. MassDevelopment charges an annual fee equal to 1% of the guaranty amount as long as the guaranty is outstanding.

Bond Financing

Bond financing programs offer a cost-effective method for companies and institutions to finance capital projects, including new construction, acquisition, and renovation, new equipment purchases, and facility expansions. Tax-exempt bond financing typically provides the lowest interest rates available for capital projects. MassDevelopment will work with you to determine the project's eligibility under the federal tax code, and to evaluate structuring and placement options. Eligible borrowers include Massachusetts manufacturers, environmental enterprises, nonprofits, affordable housing developers, and municipal and public entities.





Capital Lease Program

Capital lease is essentially an installment loan. An investor lends funds to the borrower to purchase equipment assets and complete any related renovations. In return, the borrower agrees to make a fixed number of lease payments on a periodic basis (monthly or quarterly). The interest rate on the lease is fixed, and the payment amount is fixed at closing. Generally, in a capital lease financing, the borrower leases the equipment for a length of time approximating the useful economic life of the equipment. At the end of the lease term, the borrower automatically assumes ownership of the equipment financed.

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