

# Southwest Intermediary Finance Team



USDA Intermediary Relending  
Program

Southwest Intermediary Finance Team (SWIFT), is a private, not-for-profit corporation whose purpose is to increase economic activity and employment in southwest Oklahoma's rural communities by lending funds at interest rates and terms that encourage business development. SWIFT started in 2012 and to date, SWIFT has loaned \$350,000.



# Borrower Contribution

SWIFT loan recipients will contribute funds not derived from the IRP in the amount of at least 25% of the total project cost; 10% of the total project cost must be in cash. Thus, SWIFT's participation in IRP fund projects will be limited to 75%, up to \$250,000.



# Service Area

SWIFT serves 14 of counties of Southwest Oklahoma

Beckham

Blaine

Caddo

Canadian

Custer

Dewey

Grady

Harmon

Jackson

Jefferson

Kiowa

McClain

Tillman

Washita



# Eligibility Criteria

Eligible businesses must:

- Operate in a rural area (any area that is not inside a city with a population of 25,000 or more)
- Operate for profit
- Be small, as defined by the Small Business Administration
- Be engaged in, or propose to do business in SWIFT's 14 county service area
- Have reasonable invested equity
- Use alternative financial resources, including personal assets, before seeking financial assistance
- Be able to demonstrate a need for the loan proceeds
- Use the funds for a sound business purpose
- Not be delinquent on any existing debt obligations



# Loan Purposes

IRP funds may be used for:

- Business and industrial acquisitions when the loan will keep the business from closing, prevent the loss of employment opportunities, or provide expanded job opportunities.
- Business construction, conversion, enlargement, repair, modernization, or development.
- Purchase and development of land, easements, rights-of-way, buildings, facilities, leases, or materials.
- Purchase of equipment, leasehold improvements, machinery, or supplies.
- Pollution control and abatement.
- Transportation services.
- Start-up operating costs and working capital.
- Interest (including interest on interim financing) during the period before the facility becomes income producing, but not to exceed 3 years.
- Feasibility studies.
- Debt refinancing.



# Fees, Rates, & Terms

**Fees:** \$200 application fee

**Rates:** Interest rates are negotiated between the borrower and SWIFT, but are subject to maximums pegged to the prime rate and all rates are fixed.

- Rates for loans of \$50,000 or more will not exceed prime + 2.25% if the maturity is less than five years, and prime + 2.75% if the maturity is five years or more.
- For loans of less than \$50,000, rates will not exceed prime + 3.25% if the maturity is less than five years, and prime + 3.75% if the maturity is five years or more.

**Terms:** Actual loan maturities are based on the ability to repay, the purpose of the loan proceeds, and the useful life of assets financed. However, maximum loan maturities are:

- 25 years for real estate
- 10 years for equipment (depending on the useful life of the equipment)
- 5 years for working capital



# Collateral Requirements

SWIFT expects every IRP loan to be fully secured, but will not decline a request for a loan if the only unfavorable factor is insufficient collateral, provided all available collateral is offered. This means every SWIFT loan is to be secured by all available assets (both business and personal) until the recovery value equals the loan amount or until all assets have been pledged to the extent that they are reasonable available. Personal guarantees are required from all owners of 20% or more of the equity of the business, and liens on personal assets of the principals may be required.





# Priorities

SWIFT's priority is to help create high quality jobs. This focus results in initiating loans to privately owned firms that create added value to products, which diversifies the area's economic base.



# For More Information:

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