

IDFA The Ayer Industrial Development Financing Authority

The Ayer Industrial Development Financing Authority (IDFA) seeks to promote a healthy local economy and strong employment levels through the creation, retention and expansion of industrial and commercial businesses in the Town of Ayer.

To help achieve these goals the Ayer IDFA oversees a \$1.5 million revolving fund primarily utilized for gap financing to assist business development in the community.

The IDFA also finances worthy community-based projects that create or retain jobs, and invests in needed infrastructure improvements to strengthen local business districts.

Ayer Business Loan Fund

The Ayer Business Loan Fund (ABLF) is a direct lending pool established by the Board of Selectmen in 1994 to provide appropriate capital to small businesses and entrepreneurs currently or to be located in the Town of Ayer. The ABLF's paramount objective is the creation of jobs by addressing the financing needs of small businesses seeking to expand and through new business development.

Available Loan Products

1. **Permanent Working Capital Loans** for established businesses to finance receivables and inventory growth. Loans will be provided on the following guidelines:

- From \$25,000 to \$200,000; maturities of up to five (5) years and may have flexible repayment plans for businesses with seasonal or cyclical cash flows;
- Fixed interest rate to be set by the IDFA;
- Up to 50 percent of total financing, with remainder covered by bank financing or other private or public financing sources. The total financing package may include fixed asset financing from any source other than the Ayer IDFA Business development Gap Loan program;
- Secured by inventories, receivables, and subordinated positions on corporate and personal fixed assets;
- Personal guaranty of owner(s) required.

2. **Business Development Gap Loans** for established businesses to purchase or improve fixed assets. Loans will be provided in accordance with the following guidelines:

- From \$25,000 to \$200,000;
- Maturities of up to fifteen (15) years for real estate acquisition or improvements and seven (7) years for purchase of equipment;
- May have a longer amortization period with a final balloon payment;
- Adjustable rate will be set by IDFA;
- Up to 50 percent of total financing, with remainder covered by bank financing sources;
- Secured by corporate and personal fixed assets;
- Personal guaranty of owner(s) required.

3. **Microcapital Loans** for established businesses and start-ups to finance operating expenses and to purchase assets. Loans will be provided in accordance with the following guidelines:

- From \$5,000 to \$25,000;
- Maturities usually from one to five years;
- May have flexible principal repayment plans for new businesses that expect cash flows to increase over time, or businesses with seasonal or cyclical cash flows;
- Fixed interest rate will be set by the IDFA;
- Up to 100 percent of total financing, not to exceed 80% of total project;
- Secured by business and personal assets.

“The Ayer Business Loan Fund (ABLF) is a \$1 million direct lending pool administered by the Town of Ayer’s Industrial Development Finance Authority. Established by the Board of Selectmen in August, 1994, the ABLF will provide appropriate capital to small businesses and entrepreneurs located in the Town of Ayer or proposing to relocate to Ayer.”



Brian Anderson

Our Newest Loan Program

4. **Sign and Facade Loans** for established business to finance improvements to the exterior of business-related properties. Loans will be provided in accordance with the following guidelines:

- From \$500 to \$10,000;
- Interest free;
- Maturities usually from one to five years;
- Personal guaranty of owner(s) may be required;
- For improvements including: lighting, window treatments, entrance upgrades, signage and related fixtures, professional service of architects and contractors, siding, paving, and roofs.

For more information about the loan program and the application process, please contact:

The Office of Economic Development
Phone: 978-772-8206 • Fax: 978-772-8222