

**MISSISSIPPI DEVELOPMENT  
AUTHORITY**

**MISSISSIPPI JOB PROTECTION PROGRAM**

**GUIDELINES**

## **MISSISSIPPI JOB PROTECTION PROGRAM**

The Mississippi Job Protection Program ("Job Protection Program"), administered by the Mississippi Development Authority ("MDA") is designed for making grants and loans to at-risk industries to be used for job retention and to improve productivity and competitiveness.

### **ELIGIBILITY**

#### **QUALIFIED COMPANIES**

A company must qualify as an at-risk industry to receive assistance under the Job Protection Program. An at-risk industry ("At-Risk Industry") is a company that has been operating in the State for not less than three (3) consecutive years. The company must have lost jobs or is at-risk of losing jobs because they have been outsourced. These jobs or the work to be performed by the company have been sent to an overseas provider or manufacturer located outside of the United States.

The company must be financially sound, present evidence that the company can repay any debt and must not have defaulted on any previous loan from the State or Federal Government.

#### **ELIGIBLE PROJECTS**

Loan funds may be used for land, building and depreciable fixed assets. Loan proceeds may not be used for working capital, debt refinancing or rolling stock.

### **FINANCING**

#### **TERMS**

Job Protection Program assistance may be in the form of a loan, or a loan and grant combination. The maximum amount to be provided is fifty percent (50%) of the project cost up to \$800,000. Grant funds may be used in conjunction with loan funds but will be limited to 25% of the loan amount, up to a maximum of \$200,000.

The minimum amount, which shall be loaned, is \$200,000.

The term on the loan shall be ten (10) years maximum or the determined useful life of the project to be financed. The rate of interest will be based on the most recent twenty (20) year general obligation bond issued by the State.

Other State finance programs, to include Community Development Block Grants, may not be used to finance the remaining cost of the project.

## **CONDITIONS**

An existing company that accepts a grant or loan shall not reduce employment by more than twenty percent (20%) through the use of the project for which the grant or loan is provided.

The company must inject a minimum of ten percent (10%) equity into the project

The company must document to the satisfaction of MDA that it is an At-Risk Industry.

## **LOAN REPAYMENT**

Principal and interest payments will be due on a monthly basis, with a fixed amount to be paid over the life of the loan.

## **LIENS AND COLLATERAL**

Each loan will be secured by a lien of such type that provides adequate security for MDA to recover its investment in case of default on the loan. Liens may be in the form of personal guarantees, liens on the equipment installed or security interest in other assets. It should be noted MDA will require a one percent (1%) good faith deposit on all projects.

Individuals or entities with twenty percent (20%) or more ownership in the company will be required to provide personal guaranties and life insurance.

## **APPLICATION**

The application to be submitted by a company must include:

- Documentation that the Company is an At-Risk Industry;
- The purpose of the proposed loan including a list of eligible items and the cost of each;
- Documentation on how the financing of the project will improve productivity and competitiveness;
- The estimated cost of the total project with a detailed breakdown of all public or private sources of funding;
- The time schedule for implementation and completion of the project, evidencing an expeditious completion of the project;
- Submit company balance sheets, income statements and statements of cash flow for the previous three (3) fiscal years and current statements dated within ninety (90) days of application or three (3) years of tax returns;

- A two (2) year business plan for the project;
- List of principal stockholders, partners, or parties who have ownership of twenty percent (20%) or more.

MDA may require additional information as needed. Two copies of the application must be submitted.

## **CONDITIONS FOR DISBURSEMENT OF FUNDS**

### **LOAN CLOSING**

Based upon the terms and conditions established by MDA, MDA will prepare all security and loan documents, including but not limited to, the Loan Agreement and Promissory Note, (collectively "Loan Documents"). Prior to disbursement of any funds, all Loan Documents must be fully executed.

The Borrower will also be responsible for paying for all costs associated with the closing of the loan, including document preparation, title searches and filing fees.

### **GRANT CLOSING**

MDA will provide all documents needed to close the grant upon full approval and presentation of all required information.

## **REIMBURSEMENT PROCESS**

The MDA will release loan and grant funds on a reimbursement or services rendered basis for approved eligible costs of the project as incurred. The At-Risk Industry shall certify to MDA that the expenses were incurred and were in accordance with the project as approved by MDA. Funds will be released periodically upon receipt of supporting documentation from the Borrower based upon a schedule established by MDA.

## **AUDIT**

Loans and grants made under the Job Protection Loan Program are subject to audit by the State Department of Audit.

## **WAIVER**

These guidelines may be amended by MDA at anytime. MDA, in its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such waiver is to promote the public purpose of the Act and is not prohibited by State Law.

## **ADDITIONAL INFORMATION**

Program inquiries and applications should be directed to:

**Mailing Address:**

Mississippi Job Protection Program  
Financial Resources Division  
Mississippi Development Authority  
Post Office Box 849  
Jackson, Mississippi 39205  
Telephone: (601) 359-3552

**Delivery Address:**

501 North West Street  
6<sup>th</sup> Floor  
Jackson Ms 39201