

Kansas Capital Multiplier Loan Fund



Capital Multiplier Loan Fund

History in Brief

- U.S. Treasury State Small Business Initiative (SSBCI)
- Worked with Kansas Department of Commerce
- Created loan and venture fund
- Why?
 - Gap financing
 - Existing/growth businesses or larger startup projects
 - Working Capital
 - SBA loans



Capital Multiplier Loan Fund

Performance

- Funded 53 Businesses
- \$8.6 million in loans, leveraging \$134.5 million private funds
- Retained/Created 836 FT and 479 PT positions
- 60% Rural
 - Kansas is considered a rural leader in the SSBCI Community



Capital Multiplier Loan Fund

Eligibility and Criteria

- For-Profit
- Statewide (anywhere!)
- Match up to 9% of private funds
 - Bank loan required but can also include other private investments
- \$25,000 to \$250,000 (min/max)
 - Need at least \$278,000 of private dollars (max \$20 million)
- 1 to 5 years, 3% Fixed
6 to 10 years, 5% Fixed



Capital Multiplier Loan Fund

Eligibility and Criteria

- Flexible use of funds but...
- A few use of funds to consider,
 - Can NOT be used to purchase stock or “goodwill”
 - Needs to be for a different business purpose if used alongside a SBA loan
 - Refinancing, in general okay if with a *different* bank but let’s talk
 - Holding and Operating Companies, usually okay but let me know up front



Capital Multiplier Loan Fund

Dynamic Distributions

- Based in Emporia
- Related entity, Dynamic Discs, one of nation's largest disc golf retailers
- Produce and distribute disc golf discs
- Expanded into larger facility
- Bank loan & private equity as match
- Capital Multiplier for about 5% of expansion project



Kansas Capital Multiplier Loan Fund

Questions so far?



Kansas Capital Multiplier Loan Fund

Application to Servicing the Loan



Capital Multiplier Loan Fund

Application

- Partners submit application on behalf of business
- Work with CDCs to submit the application and service the loan
- Application is available online
- Accepted and Reviewed Monthly – 15th of each month
 - Board member, banker, and candlestick maker
- 1 week later goes to review committee (~22nd)
- Approval/Denial letters typically out by the end of the month



Capital Multiplier Loan Fund

Closing a Capital Multiplier Loan

- Award Agreement and Marketing Release Form
 - Sometimes Use of Funds Certification too
- When partner and business are ready to close
 - Submit necessary docs (award agreement, loan docs, proof of match, amortization schedule, etc)
- Disburse check to the partner, who will provide funds to the business
- Funding process takes a little longer than StartUp Kansas



Capital Multiplier Loan Fund

Servicing the Loan

- Partner (CDC) collects payment and sends it on to NetWork Kansas
- Award Agreement outlines situations for partial payment, delinquencies, etc
- Annual Progress Reports
- When in doubt, ask and keep us updated



Questions about Kansas Capital Multiplier?



Minority and Women Business (MWB) Multiplier Loan Fund



MWB Multiplier Loan Fund

Eligibility and Criteria

- Same as Kansas Capital Multiplier except
- Match up to 20% of private capital
- \$25,000 to \$250,000 (min/max)
 - Only need minimum of \$125,000 of private dollars
- Need certification WBE/MBE/DBE through Kansas Department of Commerce



MWB Multiplier Loan Fund

Application and Loan Servicing

- Application and servicing the loan process is the same as Kansas Capital Multiplier



MWB Multiplier Loan Fund

Leeway Franks

- Lawrence
- MBE Business – Native American
- Working capital
- Bank loan & private equity as match
- Capital Multiplier about 19% of the total deal



Questions?

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