

## RESEARCH & DEVELOPMENT LOAN PROGRAM

The Mississippi Research and Development Program (R&D Loan Program), administered by the Mississippi Development Authority (MDA), is designed for making loans to private companies to aid in the creation of new and expanding research and development and technology-based businesses and industries.

To qualify for assistance under the R&D Loan Program, a company must meet one of the following classifications:

### Research & Development

A business engaged in laboratory, scientific or experimental testing and development related to new products, new uses for existing products, or improving existing products. Research and Development does not include any business engaged in efficiency surveys, management studies, consumer surveys, economic surveys, advertising, promotion, or research in connection with literary, historical or similar projects.

### Technology

The enterprise shall manufacture plastics, automobiles, aircraft, computers or electronics, or be a computer design or software publishing facility with at least 10% of the workforce being scientists, engineers or computer specialists. The average wage of all workers employed shall be at least 150% percent of the state average annual wage. A basic health care plan must be provided to all employees.

- Such companies shall employ at least 10 persons in full time positions
- The company **must** inject a minimum of 10% equity into the project.
- The company must be financially sound, present evidence that the company can repay the debt, and must not have defaulted on any previous loan from the State or Federal Government.

Proceeds may be used to finance land, building and depreciable fixed assets (“R&D Project”). Loan proceeds may not be used for working capital, debt refinancing or rolling stock.

TERMS:	Maximum term: 10 years or estimated useful life of the project, whichever is less.
AMOUNT:	Maximum loan amount: 50% of total project cost up to \$750,000 per project. Minimum loan amount: \$250,000.
RATE:	Interest rate on the most recent 20-year general obligation bonds occurring prior to the date the loan is made.
FUNDING:	Funding is derived from the issuance of state general obligation bonds.

Other state finance programs including Community Development Block Grants may not be used to finance the remaining cost of the R&D Project.

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-61-34, MS Code

