

**PROGRAM:** Navajo Business and Industrial Development Fund

**AGENCY:** Navajo Nation, Division of Economic Development Support

**DESCRIPTION:** The division provides loans or loan guarantees to qualified Navajo individuals or Navajo-owned businesses. The program is intended to foster the establishment of new businesses or the expansion of existing businesses within the Navajo Nation's territorial jurisdiction.

**ELIGIBLE USES:**

- Funds can be used for any business purpose including, but not limited to: the purchase of equipment, working capital, the construction of permanent facilities and the purchase of existing business interests, excluding goodwill.

**PROGRAM/LOAN STRUCTURE:**

- Maximum Program Benefits: Minimum loan is \$10,000; maximum loan is \$150,000 for new businesses and 10,000 to \$200,000 for expanding business. Loan not to exceed 90% of purchase price of assets, or 95% of value of permanent improvements on a reservation site.
- Equity: Requires 10% equity from borrowers. Those unable to meet this requirement can apply for financial assistance from the BIA.
- Maturities: Depends on how the funds will be used:
  - Working capital: not to exceed 48 months;
  - Working capital for wages: not to exceed 12 months;
  - Equipment: useful life, not to exceed 72 months;
  - Permanent improvements: useful life, up to 204 months; and
  - Existing business interests: not to exceed 84 months.
  - The term of any loan is not to exceed two-thirds of the remainder of any land lease. If loan funds are to be used for more than one of the above categories, then the maximum term will be a weighted average based on the amount for each use.
- Rates: Minimum of 1% above Wall Street Journal prime rate.

**QUALIFICATION CRITERIA/COMMENTS:**

- Must be an enrolled member of the Navajo Tribe.
- Partnerships, corporations or forms other than sole proprietorships must be 100% Navajo-owned and controlled.
- The business venture must be located within the territorial jurisdiction of the Navajo Nation.
- Visit the homepage at <http://www.navajobusiness.com/index.htm> , the business programs page at <http://www.navajobusiness.com/doingBusiness/Programs/ProgramsFinAsst2.htm>, and download the guidelines at <http://www.navajobusiness.com/pdf/DngBus/Loans/BIDF.pdf> . Call the main office at (928) 871-6544.