

# IOWA MANUFACTURING 4.0 LOAN PARTICIPATION PROGRAM



## OVERVIEW

The Iowa Economic Development Authority (IEDA) is partnering with lenders throughout Iowa to assist manufacturers making the transition to Industry 4.0 technologies. The Manufacturing 4.0 Loan Participation Program (LPP) will help offset the risk for Iowa's lenders in extending capital for manufacturers seeking to compete in a new digital world.



Manufacturers interested in the program should contact a commercial lender directly to inquire about using the Manufacturing 4.0 LPP as a lending option for them when making an investment in Manufacturing 4.0 technologies. The lender will originate the loan and determine all loan terms with the borrower. Once terms are agreed upon, the lender can apply on behalf of the borrower and request up to 20% participation in a loan through the state's Manufacturing 4.0 LPP.



## ELIGIBILITY

To be eligible for loan participation, Iowa manufacturers must meet the following requirements:

- Incorporated or authorized to do business in Iowa
- Derive a minimum of 51% of their revenue from the sale of manufactured goods, or via a contribution to automation activities
- Operating for a profit
- Must have less than 500 employees across all locations and divisions
- Cannot earn any portion of revenue from lending activities
- Priority given to companies with a NAICS codes falling between 31-33
- Must meet other criteria outlined in the application by the lender and/or U.S. Treasury requirements

## HOW CAN THE FUNDS BE USED?

- Acquiring Industry 4.0 fixed asset equipment such as:
  - Specialized equipment for automation
  - Collaborative robotics and equipment for process improvements
- Acquiring Software assets required to implement Industry 4.0 technology such as:
  - The implementation of Industrial Internet of Things (IIoT)
  - Infrastructure hardware
  - Cybersecurity protocols
  - Sensor integration tools
  - Predictive maintenance software
  - Industrial wearable technology for injury prevention
  - Data visualization software
  - RFID tagging software
- Construction or renovations of owner-occupied real estate to support Industry 4.0 equipment installation

## IOWA ECONOMIC DEVELOPMENT AUTHORITY

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International: +1.515.348.6200

Domestic: 1.800.245.4692



## HOW WILL MANUFACTURERS ACCESS THE PROGRAM?

Manufacturers will be encouraged to contact their current lender and ask about the program. Alternatively, lenders may promote the program if they are already a participating lender. IEDA will also hold a list of currently participating lenders and can provide the list to manufacturers inquiring about the program. Information about the program and its benefits will also be available to lenders and manufacturers on IEDA's Manufacturing 4.0 website: [www.iowamfg.com](http://www.iowamfg.com)

This program is offered on a first-come, first-served basis to qualified Iowa manufacturers until funds are no longer available. However, as loans are repaid, funds will be recycled back into the program.

Once a lender is approved, the lender will apply for loan participation on behalf of the applicant. The minimum request allowable is \$200,000 or 20% of a \$1 million loan. The maximum request allowable is \$2 million or 20% of a \$10 million loan. The application and loan participation request will be reviewed and analyzed by the Manufacturing 4.0 Review Committee. Once the participation level requested by the lender has been approved by IEDA, a participation certificate will be issued to the lender for inclusion in the final loan closing documents.

## LENDER INFORMATION

### Who qualifies as lender?

A depository institution, insured credit union or community development financial institution which is experienced in the making of loans to businesses of the type provided for under the State Small Business Credit Initiative (SSBCI) regulations, has a physical office in the state of Iowa and is regulated by the Iowa Division of Banking, the Federal Reserve Board, Iowa Finance Authority, Iowa Division of Credit Unions, or similar regulatory agency.

- All terms and fees are established by the lender
- Collateral support cannot be provided for SBA7 (a) or SBA 504 loans
- Participating lenders are responsible for their own credit underwriting decision and loan originations
- An approved Lender Participation Agreement must be on file with IEDA to participate in/apply on behalf of an applicant to the program.

## FIND OUT MORE

To learn more about the Manufacturing 4.0 Loan Participation Program, or to become a participating lender, contact:

**Anna Lensing**

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For more information on this and other programs offered, contact the Iowa Economic Development Authority (IEDA)  
[opportunities@iowaeda.com](mailto:opportunities@iowaeda.com) | +1.515.348.6200 | [iowaeda.com](http://iowaeda.com)

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