

## **Case Study:**

### **Euroboard Enterprises Dallas, Texas.**



#### **Paper Company Uses EDP Loan to Grow**

After 25 years in the paper industry, Bill Kight knew one of the best ways to keep his costs down was to own and operate his own facilities. As president of Euroboard Enterprises, his company is in the business of converting paper and board materials into the ingredients for corrugated boxes, folding cartons and other packaging materials. Euroboard operates in Texas, Louisiana and several other states.

“We always look for the best locations for our operations and we want to own the facilities,” says Kight. “That gives our business the most flexibility and financial benefit.”

With a loan on a Euroboard building southwest of Dallas coming due, Kight began to explore financing options. Discussions with Brian Turner, vice president of Community Trust Bank in Ruston, Louisiana, broadened the financing discussion to include renovation and business expansion needs that would fuel continued growth in the business.

### **A Flexible Program**

“An Economic Development Program (EDP) loan was a good fit for their business needs,” said Turner. “The program is designed to help businesses like this in need of attractively priced funding for growth, and our bank has used it a number of times to help small business customers finance construction, acquisition or equipment purchases.”

A quick call to FHLBank Dallas confirmed the project’s qualification for the EDP program – it was located in an urban area with population of more than 25,000 where the average family income was at or below 100 percent of the Area Median Income. Community Trust Bank was able to offer Kight a \$2.1 million, 20-year amortizing loan to refinance the facility and to fund repairs and expansion at another location.

“The attractive part of the program was the ease of applying, the fast turnaround, and the loan rate provided,” said Kight.

Applying for EDP funds is surprising easy, said Turner. “Many of the financing options for small businesses are provided by the government and require mountains of paperwork. Yet, for an EDP loan, there are a few simple forms. Once the application was completed and submitted, the loan was processed in one day,” he explained the result

Through the EDP loan, Euroboard was able to complete the refinancing and move forward with its expansion plans. The funding helped retain 17 jobs and set the stage for the creation of additional jobs that will allow the company to compete for more overseas business.

“We’re in a very, very competitive business, and any way that we can save money benefits our business and employees. I’m happy with the way this financing package has worked for us,” said Kight.