

2017 Loan Suite

Kiva Loans, up to \$10,000		SBA Community Advantage Loans, \$50,000 to \$250,000	SBA 504 Loans, \$400,000 to \$5 million
<p>Through a partnership with Kiva, an online crowdfunding platform, borrowers can access 0% interest microloans up to \$10,000.</p> <p>Unique Features</p> <ul style="list-style-type: none"> • Using social underwriting to expand access to capital • Lowering the cost of capital • Fostering connection between borrowers and lenders <p>The Loan</p> <ul style="list-style-type: none"> • For business purposes only • Loans up to \$10,000 • 0% interest, no fees • Terms of 2-3 years depending on loan size • Crowdfunded from lenders who lend as little as \$25 • Apply online at www.kiva.org/borrow <p>Want to bring Kiva to your community? Become a trustee.</p> <p>Trustees are organizations that recommend borrowers and endorse them publicly on the Kiva website.</p> <p>Although trustees are not financially or legally liable for any loan that they endorse, they do vouch for an entrepreneur's character and the viability of her business.</p> <p>Learn more at www.kivaushub.org.</p>	<p>Eligible Borrowers</p>	<ul style="list-style-type: none"> • For-profit small businesses • Borrower must typically have a personal credit score above 625 	<ul style="list-style-type: none"> • For-profit small businesses • Borrower must have a personal credit score above 680 • Business must have a minimum of two years in operation
	<p>Purpose</p>	<p>Funds may be used for working capital, equipment, inventory, business acquisitions, tenant improvements, and startup expenses. We do not provide lines of credit.</p>	<p>LISC, along with a Certified Development Company, can finance 90% of real estate acquisition and capital improvement costs. The borrower must occupy at least 51% of the property.</p>
	<p>Interest Rate</p>	<p>Prime + (up to 6%), variable</p>	<ul style="list-style-type: none"> • 50% 1st mortgage: Below-market rate (3.80% as of 1/3/17), fixed for 7 years • 40% 2nd mortgage: SBA Debenture rate (4.59% as of 12/1/16), fixed for 20 years
	<p>Term</p>	<ul style="list-style-type: none"> • 7- to 10-year term • Real estate terms may be up to 25 years 	<ul style="list-style-type: none"> • 50% 1st mortgage: 30-year term with 3-year interest-only period • 40% 2nd mortgage: 20-year term, amortizing
	<p>Repayment</p>	<p>Fully amortizing</p>	<p>Fully amortizing after initial interest-only period</p>
	<p>Loan Fees</p>	<p>A \$2,500 packaging fee and all direct fees for closing and legal</p>	<p>A \$2,500 legal fee and other closing expenses</p>
	<p>Collateral</p>	<p>Borrowers are required to pledge all available collateral and provide a personal guarantee</p>	<p>Real estate purchased and borrower personal guarantee</p>
	<p>Down Payment</p>	<ul style="list-style-type: none"> • 10% minimum for established businesses • 30% minimum for startups 	<p>10% required for all borrowers</p>
	<p>Debt Service Coverage</p>	<p>Minimum 1.0 DSC</p>	<p>Minimum 1.0 DSC for last fiscal year and interim period</p>
	<p>Other Considerations</p>	<p>Emphasis on businesses that are in low-to-moderate income areas, veteran-owned, or have less than two years of operations</p>	<p>Property must be multi-purpose and located in a low-income community (NMTC-eligible census tract)</p>