



KEY FEATURES OF CRF'S BUSINESS LOAN PROGRAMS

- CRF loans can be used to purchase or renovate a building where a business is located; purchase a new building to expand a business; purchase an existing business by a seasoned management team; purchase major equipment for business expansion; or restructure company finances.
- CRF loans offer terms of up to 25 years, and loans can be secured by first or second liens on the collateral.
- Borrowers with businesses located in disadvantaged communities may qualify for the NMTC program with interest rates comparable to the SBA 504 program.
- CRF provides an advance commitment to fund its loans whenever acquisition or construction is complete. There is no need for banks to provide temporary funding at the final closing.



Introducing the Growth Capital CRF Business Loans

SBA 504 – CRF – NMTC Loan Program Comparisons

	SBA 504 Loan Program	CRF Loan Program	NMTC Loan Program
Use of Funds	Purchase, construction or rehabilitation of buildings occupied by the business. Financing can include related equipment or fixtures. Purchase capital equipment useful life of 10 yrs	For purchase, construction (new or expansion) or rehabilitation of buildings occupied by their business. Can also refinance business debt that is secured by commercial real estate.	Takeout or permanent financing seeking to purchase, construct (new or expansion), or rehabilitate buildings occupied by their business.
Refinancing?	No	Yes	Yes
Start-ups?	Yes – 5% additional equity	No	No
Industry Restrictions	Religious-affiliated entities, gambling facilities (including bingo halls), non-profits, girls-next-door, lenders (who carry a portfolio), property investment	Investment, apartments, liquor, gambling, pawn shop, mini-storage, etc. *hotels-higher rate of about 525 over 10 yr Treasury, borrower can buy down rate	Hotels, gas stations, property investment, any business with rental income including apartment complexes, liquor store, gambling facility, pawn shop, mini-storage, etc.
Non-profits?	No	Yes	Yes
Cash Out?	No	Strict requirements, must be injected into the business	Strict requirements, must be injected back in the business
Equipment Alone? large pieces terms vary	Yes Useful life of 10 years or more; 10 year term	Yes LTV: 50% used equipment, 80% new equipment	Yes LTV: 50% used equipment, 80% new equipment
Special Qualifications?	None	None	Must be in a low income census tract AND be a QALICB (asset/service test)
Business Size Restrictions	Tangible net worth must be less than \$8.5 MM AND net profit (2 yr avg) must be less than \$3MM	None	None
States Applicable	USA	USA	USA
Loan Size	Maximum Standard Loan: \$1,500,000 Maximum Public Policy Goal: \$2,000,000 Maximum Manufacturer: \$4,000,000 SBA portion cannot be > 40% of total project	Minimum: \$50,000 Maximum: \$1,000,000	Minimum: \$50,000 Maximum: \$2,500,000
Interest Rates	Fixed, competitive Tracks trends in the 10 yr Treasury	Approx 416 + 10 yr Treasury (includes 50bp for CDC servicing)	Initial: approx 240 + 7 yr Treasury @ 7 yr approx 385 + 10 yr Treasury (includes 50 bp for CDC servicing)
Loan Term	20 yr term on real estate, fully amortized 10 yr term available	20 yr amortization/term Term will match bank partner's note	25 yr term, fully amortized
Bank Term Requirements	Bank's loan must be at least half the length of the SBA loan	Bank's loan must be at least 10 years	Bank's loan must be at least 7 years
Loan-to-Cost/Cost-to-Value	LTV: 90% standard 85%- start-up or single use 80%-start-up and single use	LTV: 90% - loans less than or equal to \$500,000 85% - loans greater \$500,000	LTV: 90%
Max. Equity Requirements	10% standard	10% for loans less than or equal	10% for loans less than or

	15% for start-ups or single purpose 20% for both start-up and single purpose (debt-equity okay)	to \$500,000 15% for loans greater than \$500,000 Non-debt equity	equal to \$500,000 15% for loans greater than \$500,000 Non-debt equity
Borrower Liquidity Test (additional injection required)	Personal Liquid Resources – larger injection could be required	None	None
Loan Fees	Origination fee of 2.74% - \$1,500 closing fee	Origination fee of 2.5% - \$750- \$1,500 closing fees	Origination fee of 2% - \$750- \$1,500 closing fees,
Bank Participation Fee	0.5% of first position loan amount	None	None
Occupancy Requirement	Operating Company must occupy at least 51% of an existing building, at least 60% of newly constructed building (intent to occupy 80% within 10 yrs)	Operating Company must generally occupy at least 51% (flexible)	Operating Company must generally occupy at least 51% (flexible)
Facility-Single vs. Multi-Purpose	A single-purpose facility will require 5% additional equity from the borrower	Single-purpose usually okay	Single-purpose usually okay
Separate Loan Application Required?	Yes, complete loan application booklet	No, bank's application is sufficient	No, bank's application is sufficient
Flexibility	Not as flexible as CRF and NMTC	Yes, business eligibility requirements are more lenient than SBA 504	Yes, business eligibility requirements are more lenient than SBA 504
Receipt to Approval	Standard: Approx 2 weeks (varies) PCLP: Approx 1 week	3-4 weeks	3-4 weeks
Approval to Closing		2-3 weeks (unless construction)	2-3 weeks (unless construction)
Closing Days	Bank closes interim loan until SBA loan closes	Any day of the week Simultaneous closing with bank partner	Close Monday, Tuesday or Friday Simultaneous closing with bank partner
Borrower Guarantees	Personal guarantees required of all loans greater than or equal to 20% ownership in the Operating Company or the real estate entity	Personal guarantee required of all owners greater than or equal to 20% ownership in the Operating Company or the real estate entity; Corporate guarantee required if the Operating Company doesn't own the real estate (personal guarantee not required on non-profits)	Personal guarantee required of all owners greater than or equal to 20% ownership in the Operating Company or the real estate entity; Corporate guarantee required if the Operating Company doesn't own the real estate (personal guarantee not required on non-profits)
Ownership Structure	No restrictions	Business entity, real estate entity or individual guarantors can own the real estate	Recommend that a single-asset multi-member LLC be formed to own the real estate
Approval/Extension	Approval good for 12 mos Extensions – 2 @ 6 mos each	Will vary	Will vary
Rate Locked	Rate is determined after closing, 8 days before the bond is sold	Rate can be locked up to 10 days prior to funding	Rate based on the 7 yr Treasury on the Tuesday of the week prior to loan funding
Funding	Funds once a month- the Wednesday after the 2 nd Sunday	Funds the day of an AM closing, funds the next day for a PM closing	Funds the Thursday after closing
Prepayment	Penalty declines by 10% each year through year 10	No partial prepayments 10 year prepayment penalty: 1.5% of the amortized balance, yrs 0-3; 1.0% yrs 4-6; 0.5% yrs 7-10 on 20 year loans.	No partial prepayments Penalty for full prepayment prior to 7 year anniversary
Assumable	Yes PPP waived	No	No