



## National African-American Small Business Loan Fund Term Sheet

Program	National African-American Small Business Loan Fund
Borrower	<p>Borrowers must be: an existing business in operation for more than two years, 51% owned or controlled by one or more African Americans, principally managed by one or more African-Americans located in Chicago, Los Angeles or New York, 1-200 employees, revenues up to \$2 million.</p> <p>Key targets: Existing small businesses with needs beyond historic repayment ability.</p>
Lender	VEDC, a non-profit California corporation with charitable designation pursuant to IRS Section 501(c)3. VEDC is a federally certified community development financial institution (CDFI).
Amount	\$35,000 - \$250,000
Purpose	The purpose of this program is to assist African American entrepreneurs in growing and sustaining their businesses. Loans will be made for sound business purposes including working capital, business acquisition, equipment, tenant improvements, debt refinance, and/or purchase of owner-occupied commercial real estate.
Maturity	The stated maturity of each small business loan shall be determined on a case-by-case basis, however, such maturity date shall not exceed five years. No prepayment penalty.
Fees	All loan and loan guarantee fees for this program will be paid from loan proceeds.
Interest Rate	WSJP + up to 6%
Amortization	Monthly amortization, 7 years for working capital and debt refinance; 10 years for business acquisition; and up to 15 years for purchase of fixed assets (i.e. real estate, equipment, major tenant improvements). No prepayment penalty. No balloon payments.

Funding Mechanism

Funds will be made available through controlled disbursements to creditors or vendors or, in the case of working capital, amounts up to \$25,000 will be disbursed in advance for payroll and operating expenses.

Collateral

Collateral requirements will be waived for loans below \$50,000. Acceptable collateral for loan above \$50,000 include real estate and business assets.

Underwriting Servicing & Collection

VEDC shall provide all services to the loan program with respect to (i) underwriting, (ii) documentation, (iii) servicing and (iv) collections.

Public Benefit

Borrowers must create jobs (at least 50% of F/T workforce is low income or residents in LMI census tracts) and/or make other contributions to the economy.

Guarantee

Personal guarantees are required.

Credit

No minimum credit scores will be used for this program. No bankruptcy within the past three years.

Loan Approvals

Online intake form available at [www.vedc.org](http://www.vedc.org). Inquiries will be responded to within 48 hours. LOI will be issued within 5 days of receipt of completed loan application.

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