



Veteran Small Business Loan Fund Term Sheet

Program	Veteran Small Business Loan Fund
Characterization of Service	Members of any of the five branches of the U.S. Armed Forces: The Army, Marine Corps, Navy, Air Force, and Coast Guard, including the National Guard and Reserve. All veterans are welcome to apply regardless of disability and service generation. Opportunity for all veterans other than dishonorable discharge. Must submit record of military service (DD214 form).
Borrower	Borrowers must be: an existing business in operation for more than two years, 51% owned or controlled by one or more Veterans, principally managed by one or more Veterans located in Southern California, Chicago, and North Carolina, 1-200 employees, revenues up to \$2 million. Key targets: Existing small businesses.
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	\$50,000 - \$250,000
Purpose	The purpose of this program is to assist Veteran 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	Loan fees up to 3% 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.

DSC Ratio	The borrower must show one year profitable operations and demonstrate a DCR of 1:1 on a 12 month projected basis as a minimum standard.
Guarantee	Personal guarantees are required.
Credit	No minimum credit scores will be used for this program. No bankruptcy within the past three years.
Collateral	Acceptable collateral for loans above \$50,000 include real estate and business assets.
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.
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.
Loan Approvals	Online intake form available at 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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