



Financing Growth of Small Business

www.hbdi.org

Background and Purpose

Background

- 1** Non-profit Community Based Development Organization established in 1986.
- 2** U.S. Treasury Certified CDFI.
- 3** Facilitated \$95 million in loans and created over 3,500 jobs since inception.

Purpose

- 1** Build healthy, vibrant, and prosperous communities
- 2** Promote the growth and expansion of small and minority businesses
- 3** Provide high-quality affordable housing

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Types of Business

1

Sales of less than \$25 million

2

For profit or non-profit corporations

3

Located in Houston metro area and surrounding counties

4

Sufficient cash flow & collateral

Ineligible Types

1

Sexual / Liquor- Oriented Companies

2

Speculative R/E

3

Religious Organizations

4

Publishers and Broadcasters

HBD*j* Loan Products – Fast Track

Fast Track	Eligibility	Application Process
<ul style="list-style-type: none">• \$5K – \$25K.• W/C, FF&E, and real estate.• 7 year term.• 9.5% fixed rate.• Prepayment penalty 1st Year.• M&TA.	<ul style="list-style-type: none">• Established for 12 months.• Have fewer than five employees.• Located in an eligible low-income census tract.• Minimum credit score of 600.	<ul style="list-style-type: none">• Loan application and forms.• Personal financial statement.• Last 3 months of bank statements (business and personal).• Last personal tax return filed.

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HBD*j* Loan Products – Start-Up

Start –Up Loan	Eligibility	Application Process
<ul style="list-style-type: none">• \$5K - \$ 75K• Relevant industry experience.• 33% equity injection.• Detailed business plan	<ul style="list-style-type: none">• Located in the City of Houston or surrounding areas.• Create a job for each \$35,000 within two years.• Sufficient cash flow and adequate collateral.	<ul style="list-style-type: none">• Loan application and forms.• Personal financial statement and tax returns – 3 years.• Financial statements and business tax returns if applicable.• Interim financial statements & debt schedule if applicable.

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HBD*i* Loan Products – Small Business

Direct/Tandem Loan	Eligibility	Application Process
<ul style="list-style-type: none">• \$5K - \$500K.• W/C, FF&E, and real estate.• 1 – 25 year term.• Fixed rate on a case-by-case; 5% to 7% (average).• No prepayment penalty.	<ul style="list-style-type: none">• Located in the City of Houston or surrounding areas.• Create a job for each \$35,000 within two years.• Sufficient cash flow and adequate collateral.	<ul style="list-style-type: none">• Loan application and forms.• Personal financial statement and tax returns – last 3 years.• Financial statements and business tax returns – last 3 years.• Interim financial statements & debt schedule.

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HBD*i* Loan Products – Small Business

Lines of Credit	Eligibility	Application Process
<ul style="list-style-type: none">• \$20K - \$100K.• Mainly W/C, with advances up to 85% of eligible receivables.• 12 months, interest only, revolving.• WSJ Prime + 2%	<ul style="list-style-type: none">• Located in the City of Houston or surrounding areas.• Create a job for each \$35,000 within two years.• Sufficient cash flow and adequate collateral.• 2 years in business.	<ul style="list-style-type: none">• Loan application and forms.• Personal financial statement and tax returns – last 3 years.• Financial statements and business tax returns – last 3 years.• Interim financial statements & debt schedule.

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SBA 504 Loan Program

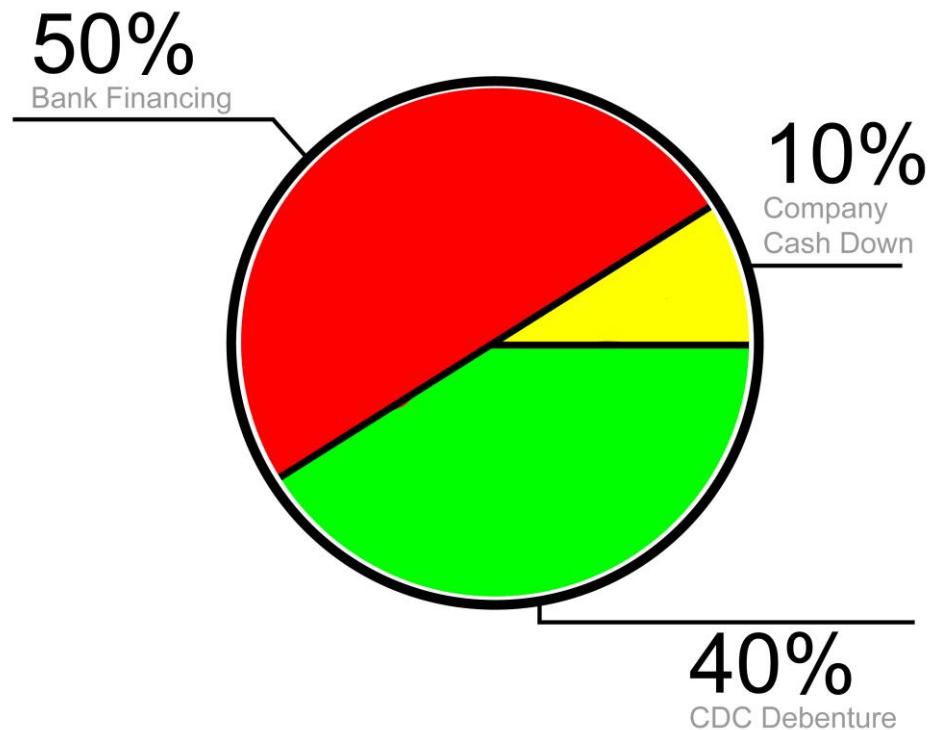


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SBA 504 Loan Structure

- Commercial real estate and equipment loans
- Up to \$5 million
- 90% financing
- 10 to 20 year Terms
- Fixed below market rates



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Loan Processing Time

Steps	Process	Time Frame
Determining Eligibility	<ul style="list-style-type: none">Initial Interview ProcessSite VisitRequirements	2 – 3 Days
Application Process	<ul style="list-style-type: none">Submit ApplicationComplete Credit AnalysisPresent Request to Loan CommitteeSend Commitment Letter to Applicant	3 – 10 Days
Closing Process	<ul style="list-style-type: none">Draft Loan DocumentsLoan Closing	2 – 7 Days
Total Estimated Time 7 - 20 Days		

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Underwriting

Positive
Earnings
and
Repayment
Ability

Sufficient
Collateral /
Equity

Management
Experience

Five
C's of
Credit



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Palm Center

Business Technology Center

From affordable office space to secretarial support, business owners can access an array of support services to grow their business including:



- Office Space
- Conference Rooms
- Workshops
- P.O. Box rentals
- Answering Services
- 24 Hour security
- Receptionist
- Clerical Support
- Counseling
- Business Library
- Internet Access
- Notary Services
- Computer Lab
- Free Parking

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HBD*j* Residential Homes



Stimulating Growth...Revitalizing Communities Since 1986

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HBD*i* Residential Homes



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