



HOPE/10KSB Business Lending Program Summary

Background	<p>Hope Enterprise Corporation /Hope Credit Union (HOPE) is a certified Community Development Financial Institution. As one of the nation's largest and most respected CDFIs, HOPE's mission is to strengthen communities, build assets, and improve lives in economically distressed areas of the Mid South. HOPE provides financing and support to entrepreneurs, homebuyers, and community development projects. Since 1994, HOPE has generated over \$1.4 billion in financing and assisted more than 75,000 individuals.</p> <p>HOPE has partnered with Goldman Sachs on its 10,000 Small Businesses Initiative (10KSB), an effort to unlock the growth and job-creation potential of 10,000 small businesses across the United States through greater access to business education, mentors and networks, and financial capital. It is based on the view that a combination of education, capital and support services best addresses the barriers to growth for small businesses. HOPE is the lending partner for 10KSB in Louisiana and Mississippi.</p>
Territory	<p>10KSB borrowers must be located in one of the following parishes or counties:</p> <p>Louisiana: Ascension, East Baton Rouge, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Tammany, Tangipahoa, Terrebonne, and Washington Parishes</p> <p>Mississippi: Forrest, George, Greene, Hancock, Harrison, Jackson, Lamar, Pearl River, Perry, and Stone Counties</p>
Eligible Borrowers	<p>Business must be located in one of the eligible parishes/counties listed above and meet the following criteria:</p> <ul style="list-style-type: none"> • Business in operation for at least 2 years with revenues between \$150,000 - \$4,000,000 in the most recent fiscal year • Minimum of 4 employees, including ownership • No real estate investment, development projects or financing entities
Loan Purposes	<p>10KSB loan proceeds can be used towards the following:</p> <ul style="list-style-type: none"> • Working Capital – additional liquidity and cash flow support • Inventory • Business Purchase • Equipment • Real Estate Acquisition/Improvements and Leasehold Improvements <p>Note: HOPE is both an SBA and USDA approved lender. We are also able to participate in many state-sponsored commercial credit enhancement programs as well.</p>
Loan Sizes	<p>10KSB loans available for \$50,000 - \$500,000. Larger amounts may be considered with various government programs, credit enhancements, and participations.</p>
Terms	<ul style="list-style-type: none"> • Real Estate – generally 15 to 20 year amortizations • Equipment – expected life of equipment (generally 5 to 7 years) • Working Capital – term to match the cash flow of company (5 year maximum)
Interest Rates	<ul style="list-style-type: none"> • Fixed rates – set at time of commitment or closing • Variable rates – tied to the Prime Rate as reported by the Wall Street Journal • Pricing is intended to reflect both risk and delivery costs
Fees	<ul style="list-style-type: none"> • Commitment Fee – generally 0% to 2% • Closing attorney and filing fees (if applicable) • Federal/State program guarantee fees (if applicable)
Equity Requirements	<p>Case-by-case basis (generally 10% to 25% owner equity is expected/desired)</p>
Collateral	<ul style="list-style-type: none"> • First lien on assets being financed (substitute/additional collateral may be considered)
Personal Guarantees	<p>Required from all significant owners (generally those with a 20% and above interest in the borrower)</p>
Other Conditions	<ul style="list-style-type: none"> • Insurance – collateral, general business liability, etc. and “Key-man” Life Insurance – generally owner/guarantor • Necessary licenses/certifications • Periodic financial reporting • Necessary forms for establishing liens on collateral
Application Requirements	<ul style="list-style-type: none"> • Signed Loan Application and Personal Financial Statements for all Owners and Guarantors • Business Financial Statements and Federal Tax Returns for last 3 years • Interim Financial Statement dated within 90 days of Loan Application • Business Plan, including financial projections • Accounts Receivable Aging, Inventory Listing, Accounts Payable Aging, and Notes Payable Listing • Management résumés and References – 3 suppliers and 3 customers • Articles of Incorporation and Bylaws / Partnership Agreement • Sales contracts, franchise agreements, leases, etc.