

## Lending Product Terms & Details

<b>Lender</b>	The NCRC Community Development Fund, Inc. (NCRC CDF) is a 501(c)(3) nonprofit organization certified by the U.S. Treasury as a Community Development Financial Institution (CDFI). NCRC CDF's mission is to support economic mobility and bridge the racial wealth gap. We have a focus on deploying capital to businesses that increases the opportunity for entrepreneurs to succeed
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>• 2 – 50 Employees</li> <li>• Business Net Worth \$60,000 or higher</li> <li>• Personal Net Worth of \$25,000 or higher</li> <li>• Revenues generally between \$50,000 and \$5,000,000</li> <li>• Existing for-profit or non-profit businesses in operation for at least 2 years</li> <li>• Examples: Food services businesses, Health/Fitness, Service-Based Businesses, Manufacturing, Agriculture/Farming, Restaurants and Cafés, Salons, and Barbershops</li> </ul> <p>*Real estate investment, development projects, or financing entities will <b>NOT BE ELIGIBLE</b></p>
<b>Eligible Uses</b>	<ul style="list-style-type: none"> <li>• Working capital, business purchase, equipment, inventory, business vehicles, and business construction</li> </ul>
<b>Loan Amounts</b>	<ul style="list-style-type: none"> <li>• \$25,000 to \$100,000</li> </ul>
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>• 0% interest, service fees included over monthly payments</li> </ul>
<b>Term</b>	<ul style="list-style-type: none"> <li>• 48–60 Months (4 Year to 5 Year)</li> <li>• Pre-repayment penalty will apply.</li> <li>• The pre-payment penalty will be the equivalent of 3 months of monthly payments</li> </ul>
<b>Fees</b>	<ul style="list-style-type: none"> <li>• Closing Cost Fee</li> <li>• Servicing/Processing Fee</li> <li>• Application Fee</li> <li>• Appraisal Fee (for applicable loan requests)</li> <li>• Origination Fee</li> </ul>
<b>Cashflow Coverage</b>	<ul style="list-style-type: none"> <li>• Flexible, depending on underwriting guidelines</li> </ul>

<b>Collateral</b>	<p>1. Real Estate:</p> <ul style="list-style-type: none"> <li>a. Residential Property: This includes non-primary residences or apartments.</li> <li>b. Commercial Property: This includes buildings, offices, and warehouses.</li> <li>c. Land: This includes raw or undeveloped land</li> <li>d. All real estate pledged as collateral will require a recent appraisal completed within the most recent six months.</li> </ul> <p>2. Stock or Bonds: If your business holds stocks, bonds, or other financial assets, they might be used as collateral, though they may fluctuate in value, which can pose a risk</p> <p>3. Cash or Cash Equivalents: Cash Deposits: A borrower can pledge cash (e.g., a savings account) as collateral, and Certificates of Deposit (CDs) can also be used as collateral</p> <p>4. Inventory: Businesses can pledge their inventory, such as raw materials, finished goods, or stock on hand, as collateral</p> <p>5. Accounts Receivable: Companies may offer their outstanding invoices or accounts receivable (money owed by customers) as collateral to secure the loan</p> <p>6. Equipment: Businesses can use machinery, computers, vehicles, and other tangible assets as collateral</p> <p>7. Receivables from Future Sales: Future contracts may be pledged as collateral, providing security for the loan based on expected revenue</p> <p>8. Life Insurance Policy Cash Value: Permanent life insurance policies build <b>cash value</b> over time, which can be borrowed against. The cash value represents the amount of money you can access while the policy is active, and it typically grows over time.</p>
<b>Repayment</b>	<ul style="list-style-type: none"> <li>• Equal monthly principal, processing, and servicing fee payments will be due until maturity.</li> <li>• Businesses are eligible for no payment required for the first 3 months of the loan term</li> </ul>
<b>Guarantee</b>	<ul style="list-style-type: none"> <li>• Personal guarantee from any individual that owns more than 20% of the business.</li> <li>• Personal guarantee from any individual pledging collateral outside of the owner</li> </ul>
<b>Capacity</b>	<ul style="list-style-type: none"> <li>• Business and owners' sources of income must demonstrate the ability to make monthly payments</li> </ul>
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>• Business owners must participate in small business financial readiness technical assistance.</li> <li>• Businesses are required to provide data on business impact and job creation.</li> </ul>
<b>Application</b>	<ul style="list-style-type: none"> <li>• For information, contact Patrick Dixon at <a href="mailto:pdixon@ncrc.org">pdixon@ncrc.org</a></li> </ul>