

SLVDRG-CSFS LOAN POLICIES (August 2021)

1. FEE STRUCTURE

Submittal / Analysis fee = \$50 (non-refundable and paid with submittal of application)

Credit Check Fee = \$20 per owner of 20% or more. Details below.

Closing Fees = origination fee is 2% of the loan principal amount; loans located in the standard SLVDRG service could have an additional 1% CHFA Support fee assessed

Late Payment Fee = after 15 days late 10% of the payment amount

2. **CSFS LOANS FUNCTION** in two ways: 1) to fill the gap remaining after the *primary lender* determines it cannot lend all necessary financing; 2) to provide all the finance needs of the business when other financing is not involved. CSFS funds have primarily been used to finance equipment and provide working capital. Other business uses will be considered.
3. **CSFS LOAN FUND COLLABORATING & NON-COMPETE:** It is the policy of the CSFS Business Loan Fund to collaborate with existing public and private sector lenders whenever possible. The CSFS Loan Fund does not compete with existing private sector commercial lenders or regional business loan funds. Applicants are required to make a genuine effort to secure private sector commercial financing prior to applying to the CSFS Business Loan Fund.
4. **MINIMUM / MAXIMUM SIZE OF LOANS:** From \$20,000 up to the amount necessary to finance identified costs. The maximum loan size is subject to availability of CSFS program funds and other loan funding sources.
5. **INTEREST RATE** start at the Wall Street Journal prime rate plus 2.00%. Rates are determined on a case-by-case basis based on perceived risk.
6. **COLLATERAL** to secure the loan may be obtained from business and personal sources. The SLVDRG Loan Review Board on a case-by-case basis will determine the sufficiency of collateral. The sufficiency of collateral depends of the level of loan risk. Collateral must be located within the state of Colorado. Applicants may have a “co-signer” to improve collateral sufficiency.
7. **ASSIGNMENT OF INSURANCE** will be provided in an amount equal to the balance of the loan and be made payable to the SLVDRG (required before closing). The SLVDRG Loan Review Board on a case-by-case basis may waive this requirement.
8. **OWNER CASH / EQUITY INJECTION** will be a minimum of 10% of the total project. This policy is stated as a guideline. Documentation of owner injection and/or equity in business assets, including previously paid costs and equipment, is required.
9. **DEBT FINANCING** or "refinancing" for recent business expenses that improve business cash flow as a part of the overall financing of the current project may be considered. Refinanced debt includes business credit cards or other short-term debt.
10. **CREDIT REPORTS** are process by the SLVDRG. Equifax credit scores are used. A report will be pulled for every member with more than 20% ownership. Sufficiency of credit history is determined on a case-by-case basis.
11. **UNCONDITIONAL PERSONAL GUARANTEE** will be required of applicants, including principal business owners, at loan closing. This may include a spouse if the spouse is involved in ownership of the business or collateral.

Equal Opportunity & ADA: The SLVDRG is prohibited from discrimination based on race, color, religion, gender, national origin, age, disability, political affiliation or belief. The UAADC / UAACOG Section 504 / ADA Grievance Procedure is available upon request.

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