



## Small Businesses Term Sheet

**Program:** Our small business alternative lending program is committed to increasing access to capital to small businesses who can't receive funding through traditional means.

**Borrower:** Existing high growth entrepreneurs and start-up entities with 1-200 employees and revenues up to \$10 million seeking to expand their businesses. Note that real estate and development projects do not apply.

**Lender:** NLP is a non-profit CDFI (Community Development Financial Institution) that has operated as a lending consortium to facilitate private investment for community revitalization and neighborhood preservation across the State of Florida for over 24+ years.

**Amount:** Small Business Loans- \$50,000- \$500,000

**Purpose:** The purpose of this program is to assist start-ups and entrepreneurs to build business net worth. Secured loans will be made to businesses located in the State of Florida for working capital, business acquisition, equipment, inventory, tenant improvements and owner occupied real estate or refinancing of existing debt.

**Maturity:** The slated maturity of each loan is typically five years. SBA terms are ten years. (Select terms are approved on a case by case basis.) Owner- occupied commercial real estate purchase can extend to a 25 term and amortization. There is NO prepayment penalty.

**Fees:** Application Fee: \$500  
Origination Fee: \$3.5% of the total loan amount



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**Interest Rate:** Borrowers shall pay market interest rates, payable on a monthly basis in arrears. Currently rates are 8.5%.  
The index of the yield will be adjusted quarterly and promptly advised to the borrower.

**Amortization:** The loans shall typically amortize for a period of five years with longer amortizations approved on a case by case basis.

**Funding Mechanism:** The purpose of this program is to assist start-ups and entrepreneurs to build business net worth. Secured loans will be made to businesses located in the State of Florida for working capital, business acquisition, equipment, inventory, tenant improvements and owner occupied real estate or refinancing of existing debt.

**Collateral:** Typically collateral will include the assignment of all or specific business assets and may include business or personal real estate. The collateral provided for each loan, consisting of real assets (inventory and equipment) should be insured in accordance with NLP's insurance requirements.

**Credit:** Minimum credit score of 600 is required.

**DSC Ratio:** The borrower for each loan shall demonstrate an ability to generate enough net operation income to service the debt at a 1.20 Debt Service Coverage on an historical or projected basis, as required.

**Guarantee:** Each loan should be guaranteed for ongoing debt service and repayment by corporate and personal guaranty of the respective borrower(s) with 20% or more ownership.

**Reporting:** On a quarterly basis, with respect to each and every loan, borrower shall provide financial statements and on an annual basis, tax returns.