

City of Leon Valley
Interest Buy-Down Program for Small Businesses

Summary: The purpose of this program is to reduce the cost of capital for qualified business owners within the city limits of Leon Valley, Texas, while creating and retaining full-time jobs. Participants must be located or relocating within the city limits of Leon Valley.

Requested Amount: \$250,000.

LiftFund will provide at least 20 loans totaling at least \$1MM in loan volume.

Loan Size: \$500 - \$100,000

- estimated average of \$40,000
- Estimated # Loans 20-25

Interest Rate to Small Business Owner: 0.0%

Commitment Fee: According to LiftFund Pricing and Term Schedule.

Term: According to LiftFund Pricing and Term Schedule.

Collateral: According to LiftFund Collateral Policy.

Required Document List: According to LiftFund Required Document List Guidelines.

Qualifying Businesses:

- Existing and start-up businesses.
- Business must be registered with County and State, if applicable.
- Businesses must be located, or relocating within, the city limits of Leon Valley. The business owner(s) does not have to reside within the city limits. The business must be located within city limits. In the case of home-based businesses, the business must be located within the city limits.
- Business must meet the Small Business Size standard, according to Small Business Administration (SBA)
 - Home-based businesses must generate minimum \$10,000 gross revenue a year.
- Business must create or retain jobs (including owner) within City of Leon Valley.
- Business must not be in one of the following industries: adult entertainment, lending, gambling, or marijuana-related business.
- Business and business owner must meet credit requirements, according to LiftFund guidelines.
- Business must have the capacity to repay loan.

Acceptable Purpose of the loan:

- Working capital
- Purchase heavy machinery, equipment, furniture, fixtures, and inventory.
- Purchase of commercial real estate is only acceptable if applicant can service the loan with a maximum term of 72 months.
- Refinancing of business term only acceptable If:
 - The interest rate is usurious.
 - Business can prove the original purpose of the loan.
 - Good repayment history.
 - Refinancing this debt will improve business cash flow.