

REGIONAL SMALL BUSINESS REVOLVING LOAN PROGRAM

TRIPLE R LOAN PROGRAM

REGIONAL – REVOLVING – RESILIENCE

STRATEGY

- Leverage Federal American Rescue Plan Act Funds (ARPA) to capitalize regional revolving loan program
- Pool funds with other local governments and municipalities throughout the region to grow the equity fund
- H-GAC will serve as central organization to administer the fund and program.

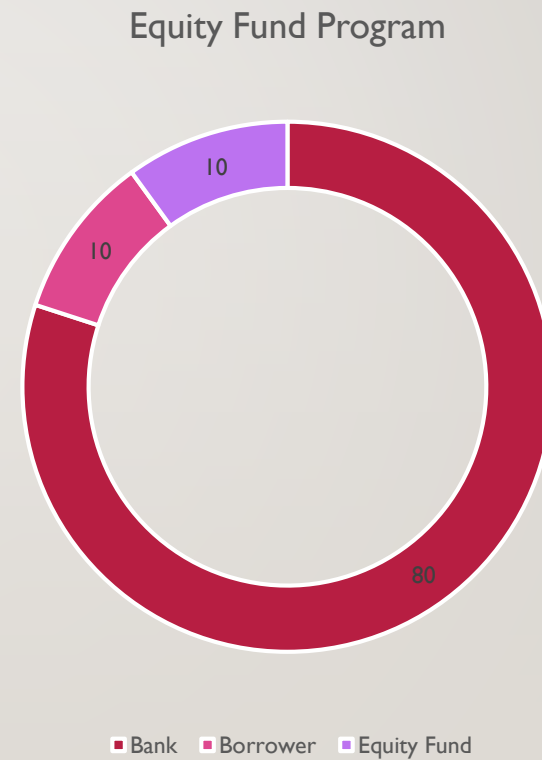
OBJECTIVES

- Financing Assistance
 - Businesses impacted by COVID-19
 - Start-up businesses
 - Disadvantaged and underserved businesses
- Business Counseling and Advice
 - Free resources - Small Business Development Centers, SCORE, Women's Business Center
 - ARPA Funds – hire dedicated staff or consultants (i.e. Deloitte)
- Business Resiliency
- Job Creation & Retention

LOAN STRUCTURE

- Banking Partner 80%
- Revolving Loan Fund* 10%
- Business Owner/ Borrower 10%

*Revolving Equity fund matches borrower injection



MARKETING/ OUTREACH

- Small Business Community
- Banking Partners
- Local Government Partners
- Media
- Press Releases
- Data Sharing, Testimonials, Success Stories

DEVELOPING THE LOAN MODEL

- Threshold for loan amounts
 - Equity Loans (80%) - \$50,000 - \$250,000
 - Direct Microloans (20%) - \$10,000 - \$50,000
- Interest rate – Fixed rate at 2.5%
- Repayment terms – 5 – 10 years
 - \$10,000 - \$50,000 – 5 years
 - \$50,000 - \$150,000 – 7 years
 - \$150,000 - \$250,000 – 10 years

DEVELOPING THE LOAN EQUITY MODEL

- Program eligibility
 - Must be a business within 13 county Gulf Coast Region of Texas
 - Must meet SBA small business size standard
 - Must have been in operation for at least 2 years or will be considered a start-up business
- Collateral
 - Blanket UCC
 - Subordination - 2nd or 3rd lien position behind bank, SBA, USDA etc.

DEVELOPING THE LOAN EQUITY MODEL

- Funding Process
 - Online application
 - Underwriting
 - Loan committee & loan approval
 - Loan funding

Note

- Equity Loans will be funded based on bank approval. No internal underwriting will occur.
- Microloans will be underwritten, approved and funded through the H-GAC internal loan origination process.

Regional Small Business Loan Equity Program



GET READY!

The Regional Small Business Loan Equity Program is coming soon!



CHECK YOUR ELIGIBILITY

To qualify for a loan, small businesses must meet the following requirements:

- Located in the 13-County Gulf Coast region
- Business must have been in operation on or before January 1, 2020
- Property taxes in good standing with County Tax Office
- Proof of negative revenue impact by COVID-19
- Less than \$15 million net worth
- Average net income of \$5 million or less
- Most recent business financial statements
- Personal financial statements
- One year of projections
- Narrative regarding the impact of government restrictions or other challenges due to COVID-19 and supporting documentation indicating the loss of revenue, sales, projected losses, staff, etc., due to these restrictions or challenges.
- Copy of current payroll, bills, and expenses
- Copy of lease agreement
- Current debt schedule
- Additional documents as needed

DOCUMENTS

Businesses must complete or provide:

- One-page loan application
- Two years of business tax returns

CHECK FOR UPDATES

Visit hgaldc.com for the latest updates to this program.



The Harris County COVID-19 Forgivable Loan Program, administered by Harris County and the Houston-Galveston Area Council through its Local Development Corporation, is committed to treating all applicants and borrowers fairly, consistently, and equitably in its eligibility determination, credit analysis, lending, and service practices and to comply with all applicable fair lending laws and regulations.

hgaldc.com

NEXT STEPS

- Internal Council/ Court discussions
- Identify budget
- Confirm loan program details
- Develop Interlocal Agreements
- Timeline
- Workgroup
- Webinar to invite additional communities

QUESTIONS???

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