



# Women's Opportunity Resource Center Economic Opportunity Fund

## Loan Product Fact Sheet

### EOF OFFERS FIVE (5) LOAN PRODUCTS:

- **Credit Builder Loans of up to \$150 to \$1,000**
  - Application Fee \$25, Commitment Fee \$25
  - Interest Rate 8-14%
  - Term 6-12 months
  
- **Direct Loans of up to \$1,000 to \$2,500**
  - Application Fee \$50, Commitment Fee \$50
  - Interest Rate – 8%
  - Term 6-24 months
  
- **Small Business Loan of up to \$10,000**
  - Application Fee \$100, Commitment Fee 2%
  - Interest Rate – 8%
  - Term 12 – 60 months
  
- **Credit Lines of up to \$20,000**
  - Application Fee – \$100, Commitment Fee 2%
  - Interest Rate – 8%
  - Term 1 year with possible renewal
  
- **Expansion Loans of up to \$50,000 (May include start-ups with a high demand market niche)**
  - Application Fee \$400, 1% Commitment Fee
  - Interest Rate 6-8%
  - Term of 5 - 7 years

### Borrower Requirements:

- Must be Low to Moderate Income – Income is defined as having a household income of not more than 80% of Median income as defined by HUD
- Collateral is not a requirement, but may be requested for larger loans
- For most products, credit need not be perfect but must be either in repair or repairable (must attend WORC Credit Class and have means to put a credit repair plan into action)
- Good credit is required for the Credit Line and for the Expansion Loan Product
- Savings Plan required if credit problems exist – FSA Program/Credit Repair Class Available

### Application Process:

- Business Plan is required
- Two years tax returns on borrower/business if existing business
- Business License

*\*Loan fees on loans made with SBA funds are capped at 2% for terms up to 1 year and 3% for terms over 1 year. Interest rates are 8% of loans up to \$10k, and 7.75% for loans over \$10k.*

## DETAILED DESCRIPTION OF EXPANSION LOAN PRODUCT

<b>Description:</b>	Debt with participation designed for high growth businesses.
<b>Uses:</b>	Addresses the financing needs of high growth businesses: working capital; real estate purchases, equipment purchases, business expansion
<b>Loan Range:</b>	\$25,000 (pilot and test period). Loan size to be increased with experience and success to \$50,000 and above
<b>Term:</b>	Five to seven years
<b>Interest Rate:</b>	6-8% interest rate
<b>Repayment:</b>	Negotiated on a case-by-case basis. Financial covenants will be developed to address contingencies.
<b>Fees:</b>	\$400 loan application fee, 1% loan commitment fee

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The product is a debt instrument with the downside protection of debt (collateral is taken as security) and the upside protection of high growth offered by equity-like products.

The product will be offered to businesses with a solid management team and anticipated high growth. These may include start-ups with a high demand market niche and experienced management, acquisitions with high growth potential. The funds may be used for purchases of real estate, equipment, inventory, working capital or business acquisitions.

### **Loan Application Process**

Staff helps business owners to develop, complete or provide essential items needed for the loan package, such as (depending upon whether the business is new or existing):

- A complete business plan that includes the owner(s) resume, if available;
- Historical financial statements (2 years if available);
- Projected financial statements and cash flow projections (3yrs min. – 5yrs preferred);
- A description of the business' financing need as well as the source and use of funds;
- Information regarding the credit background of the applicant;
- Description of collateral;
- Information regarding the proposed loan structure;
- Accounts receivable and payable aging scheduled and a breakdown of inventory composition where appropriate;
- Personal financial statements from all company owners; and
- Personal and business tax returns (2 years).

*Contact the EOF Loan Officer at 215.564.5500 or [lending@worc-pa.com](mailto:lending@worc-pa.com) for a loan application or for more information*