
EOF

Economic Opportunities Fund

a subsidiary of Women's Opportunities Resource Center

LOAN PRODUCT FACT SHEET

EOF OFFERS FOUR (5) LOAN PRODUCTS:

- Credit Repair Loans of \$250 to \$1,000**
 - Application Fee \$25, Commitment Fee \$25
 - Interest Rate: Prime + 8%
 - Term up to one year (12 months)
- Direct Loans of \$500 to \$2,500**
 - Application Fee \$50, Commitment Fee \$50
 - Interest Rate: Prime + 8%
 - Term up to two years (24 months)
- Credit Lines of up to \$2,500**
 - Application Fee \$50, Commitment Fee \$50
 - Interest Rate: Prime + 8%
 - Term up to two years (24 months)
- Small Business Loans of up to \$10,000 (for existing business only)**
 - Application Fee – \$100, Commitment Fee – 2% of Loan Amount
 - Interest Rate – Prime + 3-5%
 - Term up to three years (36 months)
- Near Equity Loan Product – up to \$35,000**
 - Application Fee - \$400, Commitment Fee – 1% of Loan Amount
 - Interest Rate 6-8%; Participation Fee of up to 1% of annual gross sales
 - Term of five to seven 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 Near Equity Loan Product
- Savings Plan required if credit problems exist – FSA Program/Credit Repair Class Available

Application Process:

- Business Plan is required
- Two to three years tax returns on borrower/business if existing business
- Two letter of recommendation (1 personal/1business)
- Business License
- All payments made Automatic Clearinghouse (ACH)

Contact the EOF Loan Officer at 215.564.5500 or loanofficer@worc-pa.com
for a loan application or for more information

DETAILED DESCRIPTION OF NEAR-EQUITY PRODUCT

Description:	Debt with participation designed for high growth businesses.
Uses:	Addresses the financing needs of high growth businesses: working capital; real estate purchases, equipment purchases, business expansion
Loan Range:	\$25,000 (pilot and test period). Loan size to be increased with experience and success to \$35,000 and above
Term:	Five to seven years
Interest Rate:	6-8% interest rate with a Participation Fee of up to 1% of gross annual sales
Repayment:	Negotiated on a case-by-case basis. Financial covenants will be developed to address contingencies.
Fees:	\$400 loan application fee, 1% loan commitment fee

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).

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