

EDGE Impact Fund



WHAT IS THE EDGE IMPACT FUND?

In partnership with Grow America Fund (a Community Development Financial Institution licensed under the U.S. SBA Preferred Lenders Program), the EDGE Impact Fund will make SBA-guaranteed loans of \$150,000 or more to small businesses throughout Shelby County.

HOW IS THE EDGE IMPACT FUND DIFFERENT?

- Lower interest rates to enhance community development.
- Longer repayment terms, lower monthly payments and preservation of business equity.
- Flexible underwriting criteria that ensures the business's cash flow can cover debt service.

BORROWERS

This program is open to qualified, existing businesses in operation for at least three years with 2-500 employees and revenues between \$500,000 and \$20 million (subject to the SBA size standards by industry). Real estate development projects and financing entities are not eligible.

LOAN SIZE

Loans range from \$150,000 to \$2,500,000. However, the amount a business and its affiliates can borrow is subject to underwriting and available cash flow.

ELIGIBLE USES & TERMS

- Working Capital - 10 year term
- Machinery & Equipment - 10 year term
- Real estate acquisition and/or renovation - 25 year term
- Tenant Improvements - life of the lease

APPLICATION FEE?

No, there is no application fee.

CLOSING FEES

Upon approval, the Applicant pays a 1% deposit at commitment letter signing for appraisal, legal, and other costs incurred prior to closing. An SBA guarantee fee of 2-3% and all closing costs may be financed into the loan.

INTEREST RATES?

The standard interest rate is WSJ Prime + 1%, variable quarterly. Fixed rates available upon request. Interest-only periods possible.

GUARANTEES AND COLLATERAL

Personal guarantees are required from any individual owning more than 20% of the business. Security interest in available collateral may be required. Flexible Loan-to-Value is available depending on underwriting for real estate.

ANNUAL REPORTS

Representatives will meet with every business in the EDGE Impact Loan portfolio annually. Annual reporting is required (including financial statements and/or tax returns).

PUBLIC BENEFIT

Projects must fulfill one of the following public benefits:

- Creation and retention of permanent jobs
- Business located in a low or moderate income (LMI) census tract
- Business located in defined redevelopment area, focusing on minority and/or woman-owned business

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