



City of Spokane Business Resilience Loan Fund by Craft3

Eligible Measures/ Use of Loan Proceeds	Eligible borrowers will be qualifying businesses located in the City of Spokane. Loan proceeds will be used to fund working capital during the COVID-19 Pandemic.
Loan Amount/Term	Individual loan sizes from \$10,000 to \$50,000 Term of 48 months Personal guaranty required for anyone owning 20% or more of the business
Interest Rate	5.00% fixed for the life of the loan
Loan Fee	Loan fee of 2%, no other closing costs
General Credit Screening Criteria	Underwriting Parameters: <ul style="list-style-type: none"> • Median personal credit score of 640 or higher • For loans \$10k to \$25, business must have shown a profit in 2019. For loans \$25k to \$50k, demonstrated historic (2019) ability to service the proposed debt with an EBIDA Debt Service Coverage Ratio of ≥ 1.20 • In business for at least 2 years • No BK, collections, write-offs, foreclosures or repossessions less than 23 months old; • No late payments on mortgage or vehicles; • No past due child support or payroll taxes; • No businesses that operate in the cannabis industry.
Security	Blanket UCC Filing on all business assets.
Disbursements	<ul style="list-style-type: none"> • Disbursed in full at closing
Repayment	<ul style="list-style-type: none"> • Payments are fully deferred for first 3 months, then move to interest-only monthly payments for 3 months, then the balance will be amortized over the remaining 42 months with equal principal and interest payments. At Craft3 discretion, there may be an additional 3-month interest only period. • All payments to be made via ACH withdrawal and due date will be the 15th of the month. Craft3 will waive late fees on payments; NSF fee is \$75.00
Prepayment	There are no prepayment penalties; loans can be repaid at any time
Loan Process Steps for the Borrower	Complete Craft3 Business Loan Application and provide the following: <ol style="list-style-type: none"> 1. 2018 business tax return 2. 2019 business tax return - or 2019 FYE financials if tax returns not filed for 2019 3. Completed Craft3 Business Loan Application form 4. Other items as deemed necessary during underwriting
Qualifying Measures:	Businesses located In the City of Spokane with the demonstrated ability to be viable and sustainable prior the COVID-19 pandemic and economic downturn.