Small Business Loans
Agenda

• About PACE
• PACE Loan Programs
• Loan Uses/ Purposes
• Loan Application
• Loan Process
PACE

• A non-profit community organization founded in 1976
• Create economic solutions by:
  - Employment
  - Business Development
  - Education
  - Housing
  - Environment
• http://pacela.org
Our Services

Training
- Startup workshop
- Entrepreneur Training Program (ETP)
- Credit Building

1 on 1 Counseling
- Startup
- Operations
- Expansion
- Credit /Asset Building

Lending
- Mini microloans (Up to $5,000 for credit building)
- Microloans (Up to $50,000)
- Small Business Loans (Up to $250,000)
PACE Loan Programs

- Mini-microloans (up to $5,000)
- SBA Microloans ($5,000 - $50,000)
- SBA Community Advantage Loans (Up to $250,000)
- LA City Loan (up to $500,000)
PACE Loan Programs

- Size: From $500 - $250,000
- Terms: up to 10 years
- Low fixed interest rate
- Simple repayment process
- No prepayment penalty after 6 months
- No bankruptcy & home foreclosure in last 24 months
Loan Uses/ Purposes

- Purchase of equipment and machinery
Loan Uses/ Purposes

• Inventory & tenant improvements
Loan Uses/ Purposes

• Business acquisition
Loan Uses/ Purposes

• Working capital (Inventory, rent deposit, hiring, etc.)
Underwriting Process

- **5 Cs**
  - Credit
  - Cash Flow
  - Capital
  - Collateral
  - Character

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<thead>
<tr>
<th>SC Model</th>
<th>Criteria</th>
<th>Score</th>
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<td>5</td>
</tr>
<tr>
<td></td>
<td>676 - 700</td>
<td>4</td>
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<tr>
<td></td>
<td>651 - 675</td>
<td>3</td>
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<td></td>
<td>601 - 650</td>
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<tr>
<td></td>
<td>TR - 3 yrs</td>
<td>2</td>
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<tr>
<td></td>
<td>TR - 2 yrs</td>
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<tr>
<td>Initial Capital / New Project Investment</td>
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<tr>
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<td>40%</td>
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<td>Collateral</td>
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<td></td>
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<td>1 - 2 years</td>
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<tr>
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<td>Under 1</td>
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Total Score: **0**
Credit - Willingness to Payback

• The ability of a customer to obtain goods or services before payment, based on the trust that payment will be made in the future.

• You can obtain your credit report at:
  – www.annualcreditreport.com
  – www.creditkarma.com
Cash Flow - Ability to Payback

- Cash flow refers to the ability of the business to generate revenues in order to pay back the loan.
Capital – Skin in the Game

• How much are you willing to invest in your business?

• Capital refers to financial assets owned by your business. Capital assets might include machinery and equipment for a manufacturing company, as well as product inventory, or store or restaurant fixtures.
Collateral

- Collateral is a property or other assets that a borrower offers as a way for a lender to secure the loan.

Source: Investopedia
Character

• Working experience and knowledge in the industry
• Personal experience and education background
• Prompt responses
• Transparency/ Full disclosure
Q&A
## Contact Us

<table>
<thead>
<tr>
<th>Name</th>
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</thead>
<tbody>
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thank you