

Loans for Small Business

PACE FINANCE CORPORATION



City Of Los Angeles

Business **source**
East Los Angeles Region



Our Mission

- PACE Finance Corporation is a non-profit community development lender that provides micro and small business loans throughout Los Angeles county. We understand your needs and we have experience to help you create a pathway to business success.

Our Services

- Access to Capital:
 - SBA Microloan
 - SBA Community Advantage Loans
 - CDFI, LA City Loan, Free-Interest Loan, and Unsecured Loan
- City of LA BusinessSource Centers
- PACE Downtown/Pico Union WorkSource Center

Small Business Loans

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

Loan Programs

- SBA Microloan Program - \$500 - \$50,000
- Community Advantage - \$50,000 - \$250,000
- Los Angeles City Loan - \$50,000 - \$450,000

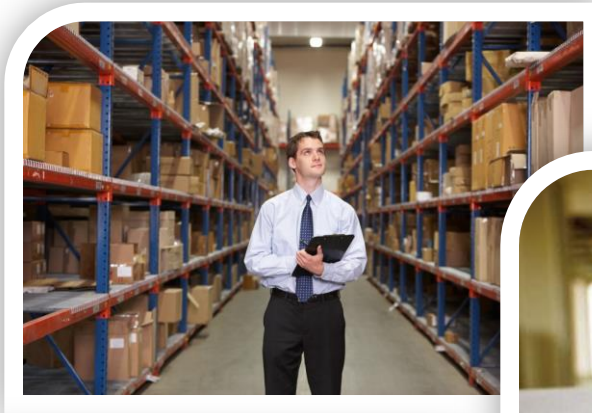
Loan Uses/ Purposes

- Purchase of equipment and machinery



Loan Uses/ Purposes

- Inventory & tenant improvements



Loan Uses/ Purposes

- Business acquisition



Loan Uses/ Purposes

- Working capital



Initial Qualifying Application

- Government issued photo ID & business license, and DBA or Article of Incorporation.
- SBA Personal Financial Statement Form 413
- Loan application form
- Business/personal tax returns (most recent 2-3 years)
- Year to date financial statements of the business
- Business bank statements (for the last three to six months)
- Copy of Lease Agreement (if applicable)
- Business Plan (for startups)
- Personal resume

The Loan Package/Application

- 4-6 weeks
 - Document collection
 - Underwriting process
 - Loan committee meeting
 - Letter of Intent
 - Check request/processing
 - Closing/Loan documents signing

Underwriting Process

- 5 Cs

- Credit
- Cash Flow
- Capital
- Collateral
- Character

5C Model Underwriting Summary

5C Model	Criteria	Score	Content	Score
Credit	701 +	5		5
	676 - 700	4		
	651 - 675	3		
	601 - 650	2		
	600 below	1		
Cash Flow	Actual 3	5		5
	Actual 2	4		
	Historical 3	3		
	Historical 2	2		
		1		
Capital	50%	5		5
	40%	4		
	30%	3		
	20%	2		
	10%	1		
Collateral	100%	5		5
	75%	4		
	50%	3		
	25%	2		
	10%	1		
Character	7 years above	5		5
	5 - 7 years	4		
	3- 4 years	3		
	1 - 2 years	2		
	Under 1	1		
Total Score:				25

Q&A

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