

NORTH AURORA CATALYST FUND

UNDERWRITING REQUIREMENTS

INVESTMENT RANGE:

- \$500 - \$50,000
- Loans or Murabahas available (Islamic-compliant debt)
- Interest rates are between 6.25% - 11.00%
- Terms up to 5 years (60 months)
- Start-ups, expansions, and acquisitions
- Asset-based financing is preferable but will also provide working capital financing; real estate purchases are ineligible
- Refinancing debt is not encouraged; and refinancing bad debt is prohibited

CRITERIA

PLEASE NOTE:

- THE MAJORITY OF CRITERIA ARE FLEXIBLE and depend on the client and their situation.

BORROWER:

- Household income must meet low-to-moderate income guidelines OR the business must create/retain jobs for LMI persons
- U.S. citizen or legal resident
- For-profit enterprise

COLLATERAL:

- Applicant must pledge collateral (amount and type are flexible).
- Loan to value is recommended to be 80%. "Value" is the discounted worth of the asset. Acceptable collateral is real property, non-real business assets, lien on vehicles, and/or miscellaneous items (i.e., an item with monetary or sentimental value to the borrower – including jewelry, laptops, family heirlooms, etc.).

EXPERIENCE:

- Borrowers must have direct relevant experience is in that sector – owning, running or working for an enterprise within that sector.

LOCATION:

- The business, the owner and/or the majority employees, or a significant volume of clientele shall be located in North Aurora. CEDS will define North Aurora using the western and northern boundaries of Aurora; the southern boundary will be Alameda Pkwy; and the eastern boundary will be Airport Blvd. Once the Community Planning Team identifies its boundaries, CEDS will reevaluate and redefine the boundaries provided that they make economic sense.

OWNER'S EQUITY:

- Owner's equity is recommended to be 20% of the total project cost, and CEDS would prefer aged cash. However, CEDS will consider prior business expenses directly related to the requested debt.

SECTOR:

- CEDS cannot invest in the following sectors (all other sectors are eligible):
 - Adult Entertainment
 - Firearms
 - Illegal Activities
 - Marijuana
- The following sectors have specific investment criteria:
 - Non-Emergency Medical Transport (NEMT)
 - Ride Sharing (Uber, Lyft, etc.)
 - Long-Haul Trucking
 - Other Transportation (Tow Trucks, Dump Trucks, etc.)

CREDIT SCORE:

- CEDS will consider any credit score (including no score).
- If an applicant has no credit history, CEDS will obtain credit references from as many sources as possible.
- Applicants currently in bankruptcy are encouraged to delay their application until three months following discharge.

OTHER:

- Investment term is tied to the life of the asset. Meaning an expensive asset with a short life expectancy is limited by that asset's life.
- Business needs to be current with all licensing to operate his/her business.
- The borrower shall be able to understand & speak sufficient English to communicate with his/her customers, vendors, and government authorities. CEDS will hire interpreters for client interactions, but for a business to be successful the owner mustn't rely on others to interpret for him/her.
- Depending on the risk level, CEDS may request a co-signer and/or guarantor.
- Disbursements always go to the vendor (except for pre-approved, unique situations).

IF YOU HAVE A POTENTIAL REFERRAL:

- Contact CEDS' Loan Manager: Alyson Anderson; aanderson@cedsfinance.org, 303.835.1835; or Contact CEDS' Loan Officer: Benjamin Stephan; bstephan@cedsfinance.org, 303-500-1395; OR
- Encourage applicants to complete an online Intake Form: cedsfinance.org/intake-form