



NMTC Financing

Established in 2000 by Congress the NMTC Program attracts private capital into low-income communities by permitting investors to receive a tax credit against their federal income tax liability in exchange for making equity investments in specialized financial intermediaries known as Community Development Entities (“CDEs”). As a certified CDE, the incorporation of NMTCs results in Greenline Venture LLC’s (“Greenline’s”) ability to provide very favorable and flexible loans with better-than-market rates and terms to eligible businesses.

Target Borrower:

Companies and/or financial sponsors seeking to spend at least \$5 million in capital to pursue acquisitions, growth opportunities, business expansions, etc.

Product Overview:

- Below-market interest-only fixed-rate loan with a 7-year term
- Borrower option to convert debt into equity after 7-years
- No Origination or Exit Fees
- Interest Only for 7 years
- Ability to subordinate to other debt
- Up to 90% of total capitalization
- Lower debt service coverage (DSC) requirements

Use of Proceeds:

- Growth capital and general working capital
- Acquisitions or expansion into new markets
- Equipment purchases
- Refinancings

Investment Criteria:

- 1) All borrowers must have significant operations in a low-income census tract, which is defined as having income of 80% or less or area median income (“AMI”) or a poverty rate greater than 20%. Please check your ability via the [**NMTC Mapping Tool**](#).
- 2) Borrowers will have one or more of the following characteristics: 1) Minority or women ownership, 2) Beneficial environmental impact, 3) Living-wage jobs, 4) Meaningful employee benefits, 5) Employee training programs, 6) Local community hiring preferences, and 7) Other measurable and positive social and/or environmental impact
- 3) No “sin” businesses (gambling, golf courses, massage parlors, liquor stores, farming etc.)
- 4) The business cannot primarily be in the business of investing in other companies
- 5) The closing process requires the borrower to engage lawyers and accountants that are familiar with the NMTC Program.

To get more details on the product and to discuss if this product is right for you, please call or email Fred Koch at (303) 586-8002 or fkoch@greenlineventures.com.