



GREENLINE SMALL BUSINESS CAPITAL FUND

OVERVIEW

The Small Business Capital Fund (SBCF) is a \$90 million loan fund managed by Greenline Ventures that provides attractive subordinate and/or senior loans at *favorable or better-than-market* rates to underserved small businesses (SMBs) throughout the US. The SBCF leverages new markets tax credits (NMTC) with mission-driven capital to provide small businesses with financing that is flexible and patient as it relates to collateral, security requirements, amortization, recourse, covenants and interest rates/fees.

ELIGIBLE SBCF BORROWERS

All borrowers must have significant operations in a low-income census tract, defined as having income of 80% or less of Area Median Income or a Poverty Rate greater than 20%. Please check your eligibility via the [NMTC Mapping Tool](#).

LOAN AMOUNTS

\$250,000 to \$3,000,000

LOAN TERMS

12 months to 6 years, depending on borrower needs, risk profile, and term of senior financing (if applicable)

LOAN CLOSING

Loan financings can close in as few as 3 weeks – as quickly as the due diligence information is provided to us

INTEREST RATES / AMORTIZATION

SBCF loans will be priced well below conventional market rates for the corresponding risk profile. Interest rates will vary between 4 – 7% over the WSJ prime rate based on collateral/security, credit and financial strength of borrower, loan term, etc. Loans are generally interest only during the loan term and not subject to amortization.

In addition to meeting the location criteria, an SBCF borrower will:

- Have a strong management team and executable business plan
- Create and/or retain jobs
- Be generating consistent revenues and preferably positive EBITDA

The following characteristics will be beneficial (but not mandatory) in the loan application process:

- Minority or women ownership
- Meaningful employee benefits (Health Insurance, 401(k), Employee Ownership, etc.)
- Impact/ESG criteria
- Employee training programs (especially for advancement from unskilled to skilled positions)
- Other factors that have a demonstrable and positive economic and social impact in their communities

LOAN PURPOSES / TYPES

SBCF loans can be used for a variety of purposes, including:

- Working capital
- Business acquisition/growth/expansion
- Equipment financing, etc.
- Refinancing higher interest-rate debt (e.g., MCA debt, hard-money loans, etc)
- Subordinate debt behind SBA or USDA loans

Loans may be secured or unsecured, depending on the financial characteristics of the business and its sponsors, and are intended to provide maximum flexibility to the business for growth and capital needs. Loans may be subordinate to existing or future senior, market-rate financing and will have favorable intercreditor agreements with flexible default provisions and remedies. **There are no fees charged on the loan (origination, exit, etc.) and no warrant coverage or similar equity participation.**

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