

ACCESS TO CAPITAL UNDERWRITING GUIDELINES

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**Office of Economic Development
Access to Capital
Underwriting Guidelines**

The Office of Economic Development (OED) is established as a Program Administrator for the Access to Capital Program, which supports the lending needs to Jacksonville Small and Emerging Businesses (JSEBs). The purpose of this document is to establish the general underwriting guidelines for the loan program. Allowable uses for loans include materials and operational costs.

Pre-qualification criteria:

- 1. Applicant must meet all JSEB qualifications and be a current certified JSEB business
- 2. Must be an eligible business¹
- 3. Must have a contract as the prime contractor or as a subcontractor retained by a prime contractor with the City of Jacksonville (City) or one of its Independent Authorities; or must be under contract as the prime contractor or as a subcontractor retained by a prime contractor with a Company that is subject to an Economic Development Agreement (EDA) with the City to complete work associated with the project as defined in the EDA.
- 4. Minimum 550 FICO Score
- 5. No bankruptcies in the past 3 years
- 6. No foreclosures
- 7. Taxes, rent, mortgage must be current
- 8. No recent judgments

Required Documents:

- Completed loan application
- Proof of identity and all business documentation, including license, certificates, business establishment documents, etc.
- Copy of required contract, as noted in item 3 of the pre-qualification criteria.
- Two years of financial statements and tax returns for the business
- If business established for less than two years, the principal² owners financial statements and tax returns must be provided
- Current interim financial statement (within 90 days)
- Resume and background of the owner(s)
- Signed disclosure for obtaining personal credit history of all principal owners

****Additional documentation may be requested by OED.**

¹ May not be Nightclubs, Adult Entertainment, Adult Gaming Rooms, Pawn Shops, Check Cashing Establishments, Pay Day Loans, Bikini Bars, or Used Car Lots.

² "Principal" is defined as any one individual who owns or controls 20% or more of the entity

Pricing & Fees

- Loan Interest Rate = Current Prime Rate + 3%
- Closing costs must be paid by the borrower and may be included in the loan amount or paid at the time of closing

Minimum and Maximum Loan Amounts

- Minimum Loan Amount - \$5,000
- Maximum Loan Amount - \$100,000

Credit Analysis Summary & Recommendation

The underwriter should ensure that all credit factors have been considered. Credit decisions will be based on the following criteria:

- Business financial statements
- Management ability and character
- Financial ability to repay the loan
- Payment history with other creditors
- Payment history with landlord(s)
- Credit history and financial stability of company principals and/or sufficient and collectable collateral
- FICO Score

In some cases, the loan request, as initially presented by the applicant, may be incomplete; or it may require additional financial information, and/or guarantor support. If additional documentation is needed to further consider the loan request, both a verbal and written notification to the applicant should be given.

It is the underwriter's charge to carefully evaluate each request in order to approve eligible and credit worthy requests for financing. Key to this analysis is an assessment by the underwriter of the business' and management's ability to perform and their capacity to repay the debt; and, then to determine if the weaknesses of the credit can be sufficiently mitigated by proper structure, monitoring, technical assistance, or covenants.

A recommendation will be issued by the underwriter within five (5) business days of receipt of all required documentation.

Policy Statement

OED loan decisions will not discriminate in any way based upon age, race, color, ethnicity, religion, gender, or disability. OED will use standard eligibility and credit factors in the loan decision process; and credit decisions will be based upon an analysis of program eligibility under management experience and ability, character and credit histories, repayment capacity, financial strength. The loan program will be administered with prudent and sound lending practices during application, underwriting, decision process, closing, documentation, and monitoring.