

Small Business Lending Plan Guide For Community Development Loan Funds

The U.S. Department of the Treasury intends that funding provided through the Small Business Lending Fund (SBLF) to Community Development Loan Funds (CDLFs) be used to support small business lending in a manner that is consistent with safe and sound operations. Each CDLF applying to participate in SBLF must submit a small business lending plan, which will include the increase in Qualified CDLF Small Business Lending that your CDLF expects to achieve two years after the investment. For a CDLF loan to count as Qualified CDLF Small Business Lending in SBLF, it must meet certain criteria outlined in the definition below and in the application materials on the website at www.treasury.gov/SBLF.

For general questions, please call the Small Business Lending Fund information line at 888-832-1147 (Monday-Friday, 9:00 AM-7:00 PM ET). For communications pertaining to a specific CDLF, please email CDLFInstitutions@treasury.gov, a Treasury email address.

How to Complete a Small Business Lending Plan

The lending plan should:

1. Describe How Your CDLF Plans to Address the Needs of Small Businesses

The lending plan should describe how your CDLF intends to use funding from SBLF to address the needs of small businesses in the communities it serves. Your CDLF should provide a description of the basis for its lending goals and how it intends to achieve these goals.

The lending plan should explain why the projected increase in small business lending is reasonable in the context of the size of your CDLF and the market it serves. To the extent practicable, please include a description of the types of loans anticipated and customers served.

2. Specify the Projected Increase in Small Business Lending

The lending plan should include the dollar amount increase in Qualified CDLF Small Business Lending that your CDLF expects to achieve two years after the investment. It is acceptable to provide a projected range. This dollar amount increase should be equal to or greater than the “Requested Investment Amount” on your CDLF’s Application. The lending plan is not intended to be an official business plan. As a result, Treasury does not require the submission of a pro forma income statement or balance sheet.

3. Provide for Community Outreach

The Small Business Jobs Act of 2010 requires CDLFs participating in the Small Business Lending Fund to provide outreach and advertising describing the availability and application process for receiving small business loans.

Definition of Qualified CDLF Small Business Lending

For a loan made by a CDLF to be eligible for inclusion in Qualified CDLF Small Business Lending, it must meet the following criteria:

- The original principal and commitment amount of the loan must be \$10 million or less.
- The loan must not be to a business with more than \$50 million in revenues.
- The loan must fall within one of the following four categories:
 - **Commercial and industrial loans:** Loans made for commercial and industrial purposes to sole proprietorships, partnerships, corporations (including non-profit corporations), and other business enterprises, whether secured (other than those that meet the definition of a “loan secured by real estate”) or unsecured, single-payment or installment. This category includes microenterprise loans and lines of credit.

- **Owner-occupied nonfarm, nonresidential real estate loans:** Loans secured by nonfarm, nonresidential commercial real estate property, including community facilities. The primary source of repayment must be the cash flow from the borrower/owner or enterprise's operations and activities (or an affiliate subsidiary or related Special Purpose Entity).
- **Loans to finance agricultural production and other loans to farmers:** Loans made for the purpose of financing agricultural production. Include such loans whether secured (other than those that meet the definition of a “loan secured by real estate”) or unsecured and whether made to farm and ranch owners and operators.
- **Loans secured by farmland:** Loans made for farmland and improvements and secured by mortgages or other real estate liens. Farmland includes all land known to be used or usable for agricultural purposes, such as crop and livestock production, grazing or pasture land, whether tillable or not and whether wooded or not.

Qualified CDLF Small Business Lending is defined, without consideration of tax status, to include borrowers that are sole proprietorships, partnerships, corporations, tax-exempt organizations, and cooperatives.

Small Business Lending Plan Form For Community Development Loan Funds Applying for SBLF Funding

Name of CDLF: _____

Employer Identification Number (EIN):

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(e.g., 89-1234567)

Address: _____

City: _____ State: _____ Zip Code: _____

Primary Contact Name: _____

Primary Contact Telephone: _____

Primary Contact Email: _____

Signature of Authorized Official: _____

Name of Authorized Official: _____

Title of Authorized Official: _____

Date: _____

1. Address the Needs of Small Businesses

Please describe how participation in the Small Business Lending Fund will enable your CDLF to better address the needs of small businesses in the market it serves. (You may attach additional pages, if necessary.)

2. Specify the Projected Increase in Small Business Lending

Please estimate the dollar amount of the increase in Qualified CDLF Small Business Lending, as defined for purposes of the Small Business Lending Fund, that your CDLF projects achieving two years following Treasury's investment (projected ranges are acceptable). This dollar amount increase should be equal to or greater than the "Requested Investment Amount" on your CDLF's Application. \$_____ increase

3. Provide for Community Outreach

Please describe your CDLF's approach to community outreach for small business lending. (You may attach additional pages, if necessary.)

As described in the Small Business Jobs Act of 2010, such outreach activities include the use of print, radio, television, or electronic media outlets that target organizations, trade associations, and individuals that represent, work with, or are women, minorities, or veterans. Please describe plans to provide linguistically and culturally appropriate outreach.