



THE GROW WILMINGTON FUND

The City of Wilmington's Office of Economic Development and the Grow America Fund (an affiliate of the National Development Council) have partnered to launch the **Grow Wilmington Fund**. Together, we are working to help small and medium size companies grow their businesses in Wilmington. With longer loan terms and below-market interest rates, the Grow Wilmington Fund can help businesses stretch their cash flow and save thousands of dollars through lower monthly payments.

What is GAF?

Grow America Fund is a Community Development Financial Institution (CDFI) licensed under the U.S SBA Preferred Lenders Program (PLP). We focus on providing flexible and patient expansion loans to established small businesses, manufacturers and distributors.

Who is eligible?

This program is open to qualified, existing businesses in operation for at least 2 full years with 2 - 500 employees and revenues generally between \$500,000 and \$20 million (subject to the SBA size standards by industry). Real estate investment or development projects and financing entities are not eligible.

How much can I borrow?

Our loans typically range from \$150,000 - \$2,500,000. However, the amount a business and its affiliates can borrow is subject to underwriting guidelines and availability of loan funds.

How can loan funds be used and what are repayment terms?

- Working Capital – to be repaid over 10 years
- Machinery & Equipment – to be repaid over 10 years
- Real Estate Acquisition and/or Renovation – to be repaid over 25 years
- Tenant Improvements – to be repaid over the life of the lease

Is there an application fee?

There is no application fee to apply.

Are there closing fees?

- Once the loan is approved, the applicant pays a 1% deposit paid at commitment letter signing for appraisal, legal, and other costs incurred prior to closing
- SBA guarantee fee of 2-3%
- All closing costs may be financed into the loan.

What are the interest rates?

- Fixed at 7-year Treasury Rate + 2% at the date of loan closing (7-year Treasury Rate as of 12/2/2014: 2.0%)
- Interest-only periods are possible.

What guarantees and collateral is required?

- Personal guarantees are required from any individual with > 20% of the business.
- Security interest in all available collateral
- For real estate: Flexible Loan-to-Value, depending on underwriting

Is any reporting required?

As relationship lenders, GAF meets with every business in our portfolio annually. We also expect the business to provide us with financial statements and/or tax returns on at least an annual basis.

Public Benefits:

As a mission-driven non-profit, GAF must meet at least ONE of the following public benefits:

- Creation and retention of permanent jobs
- Serve businesses located in Low or Moderate Income (LMI) census tracts
- Serve businesses located in redevelopment areas and Enterprise Zones
- Serve minority and/or woman-owned businesses

Need more info? Please contact:

Denita Thomas

dlthomas@WilmingtonDe.gov

Tel: 302-576-2126 / Fax: 302-571-4326

Mayor's Office of Economic Development

800 French Street, 3rd Floor

Wilmington, Delaware 19801-3537