

family business loan program

CITY OF AUSTIN

WHAT IS THE AUSTIN FAMILY BUSINESS LOAN PROGRAM (FBLP)?

The Family Business Loan Program (FBLP) is a partnership with the City of Austin to offer low-interest loans to qualified small businesses who are expanding and creating jobs.

WHERE DID FBLP COME FROM?

FBLP is a targeted economic initiative launched in March 2011 by the City of Austin Economic Growth and Redevelopment Office.

The mission of the Family Business Loan Program is to enable existing local businesses to expand and create jobs, revitalize communities, increase the tax base of the City of Austin, and enhance the overall quality of life for Austin residents. To accomplish that mission, the Family Business Loan Program has partnered with private lending institutions to leverage a private-public partnership that allows for greater flexibility on the type of eligible business-expansion projects.

WHY BORROW THROUGH FBLP?

The Family Business Loan Program offers a number of advantages over traditional commercial financing:

- **Interest Rates:** Interest rates on FBLP loans are significantly below regular market interest rates for a variety of business expansion projects.
- **Low Equity Requirement:** FBLP only requires a 10% equity injection from the borrower--a common barrier to conventional financing.
- **Working Capital:** Each loan can include up to \$250,000 of working capital financing.

WHO IS ELIGIBLE?

There are a few things you should know about the program before you decide whether it is right for you. Small businesses must meet the following criteria to be considered for the program:

1. In operation for at least two years.
2. Financial documentation must show successive profits for the previous two years.
3. Tangible net worth of less than \$15 million.
4. Profits after taxes of less than \$5 million (on average for the last two years).
5. Must be willing to locate project in the Austin metropolitan area.
6. Must be willing to meet job creation requirements and report jobs created.

Additional Housing and Urban Development (HUD) and Small Business Administration (SBA) guidelines for eligibility and underwriting criteria apply.

WHAT KINDS OF PROJECTS ARE ELIGIBLE?

- Working capital financing (only considered in conjunction with the total project and will not be financed independently).
- Renovation and new construction of commercial and industrial buildings.
- Acquisition of commercial and industrial land and buildings.
- Refinancing of existing debt to an independent institutional lender (as part of a new project creating new job opportunities).

****Loan funds cannot be used to reimburse costs incurred prior to completion of the HUD Environmental Review with the exception of project planning costs.**

HOW TO APPLY?

If you think this is the right program for you or if you would like to get more information, call 512.978.2502 to set an appointment to discuss your project with a Loan Program Advisor. Our advisors will discuss in greater detail how the Family Business Loan Program can help you expand your business.