



U.S. Small Business
Administration

Agenda

- **CARL Overview**
- **Main Street Lending Program Overview**





CARL

Community Advantage Recovery Loans (CARL)



Purpose: The Community Advantage Recovery Loan Program (CARL) is a pilot program to increase SBA-guaranteed loans to small businesses in underserved areas.

It is intended to help these small businesses revamp their operations for the COVID-19 environment and/or to build financial resiliency against future disruptions through technical and financial assistance.



Target Applicant: Underserved Markets within approved CA lender's defined territory.

Community Advantage Recovery Loan Program

- **Maturity Date/Loan Term:** minimum 5-year
 - CARL Maturity must match the use of proceeds – **NO short-term loans!**
- **Maximum Loan Amount:** \$250,000
- **P&I Payments:** for first six months of CARL loan will be paid by SBA under Section 1112 of CARES Act.
- **Loan Disbursement Period:** Must be originated no later than **September 27, 2020** and fully disbursed before **October 1, 2020**.

Community Advantage Recovery Loans (CARL)

- **Technical Assistance (TA) Requirements:**
 - Minimum of 15 hours Technical Assistance is required (FREE to the client).
 - Community Advantage (CA) lender may begin TA 30 days prior to loan approval and must be completed during the first 6 months of the loan term.
 - May be provided by or on behalf of the CARL Lender.
 - Must be tailored to the subject business and may include, but is not limited to:
 - retooling the applicant business model for a COVID-19 environment;
 - shifting to an online presence;
 - building cash reserves; and
 - expense reduction strategies.

Lender	Lending Authority
Prestamos	AZ, NV
BSD Capital LLC dba Lendistry	CA
CDC Small Business	USA Nationwide
Fresno Community Development Financial Institution	CA
Main Street Launch	CA
PCR Small Business Development	CA
Colorado Enterprise Fund	CO
Colorado Lending Source, Ltd.	CO
Community Investment Corporation	CT & RI
True Access Capital Corp. fka First State Community Loan Fund	DE
Florida Business Development Corporation	FL
Small Business Assistance Corporation	53 counties in Southeast GA, bordering counties of SC
Flagship Enterprise Center, Inc. (dba Bankable)	IN
Common Capital	MA
Northern Economic Initiative Corp.	MI, 5 bordering counties in WI
Metropolitan Economic Development Association	MN
Justine Petersen Housing & Reinvestment Corporation	MO, KS, IA, IL
Hope Enterprise Corp	MS
Montana Community Development Corp.	MT, ID, WY, 5 bordering counties in OR and WA
Mountain Bizcapital, Inc.	12 NC counties
Dakota Business Lending	ND, SD
Nebraska Enterprise Fund	NE
Strafford Economic Development	NH
Trenton Business Assistance Corporation	NJ, NYC, 5 counties in NY, 10 counties in PA
Union County Economic Development Corporation	NJ
DreamSpring	TX, AZ, CO, NV
Empire State Certified Development Corporation	USA Nationwide
TruFund Financial Services Inc	AL, LA, NYC, 3 counties in NY
Growth Capital Corporation	OH
West Central Development Corporation	OH, MI, IN, PA, KY, FL
Brightbridge, Inc.	TN, GA, AL
LiftFund, Inc.	TX, NM, OK, SC, GA, FL, LA, AL, TN, AR, KY
PeopleFund	TX
Mountain West Small Business Finance	UT
Vermont Community Loan Fund	VT
Evergreen Business Capital	WA, OR, AK
Milwaukee Economic Development Corporation	WI
Wisconsin Women's Business Initiative Corporation	WI
Natural Capital Investment Fund, Inc.	WV, NC, VA, MD OH, KY, GA, SC, TN

Current List of CARL lenders

As of 08/07/2020

LiftFund

PHONE: 888-215-2373

WEBSITE: www.liftfund.com


PeopleFund

PHONE: 888-222-0017

WEBSITE: www.peoplefund.org/carl/

Main Street Lending Program



Overview of the Main Street Lending Program

- Program Available until December 31, 2020
 - Takes a minimum of 30 days to go through the process
- For-profit & non-profit businesses are eligible
- Relatively healthy businesses before the pandemic
- The MSLP creates additional lending capacity through two important actions:
 - Sharing risk that would otherwise be absorbed solely by lenders
 - Creating additional balance sheet capacity for lenders to extend more loans

Key T&C: Eligible Loans – For-Profit Businesses

	New Loan Facility	Priority Loan Facility	Expanded Loan Facility
1. Loan Term	5 years		
2. Interest Rate	Adjustable rate of LIBOR + 300 basis points (bps)		
3. Interest Payments	Interest deferred for 1 year unpaid interest will be capitalized		
4. Principal Payments	Principal deferred for 2 years. Years 3–5: 15%, 15%, 70% prepayment allowed without penalty		
5. Lender Participation Rate	Lender will retain 5% of the loan		
6. Loan Size	\$250,000–\$35 million	\$250,000–\$50 million	\$10 million–\$300 million
7. Leverage Requirement	4 times debt to adjusted 2019 EBITDA	6 times debt to adjusted 2019 EBITDA	
8. Requirements for Priority & Security	Unsecured or secured loan; may not be contractually subordinated to other debt	Unsecured or secured loan that is senior to or pari passu with, in terms of priority or security, other debt	
9. Loan Fees	Transaction Fee ¹ : 100 bps Origination Fee ² : 100 bps		Transaction Fee ¹ : 75 bps Origination Fee ² : 75 bps

(1) Eligible Lenders will pay the MSLP SPV a transaction fee. Eligible Lenders may pass on this transaction fee to the Eligible Borrower.

(2) Eligible Borrowers will pay Eligible Lenders an origination fee. Eligible Lenders have discretion on whether and when to charge Eligible Borrowers this origination fee.

Note: An Eligible Lender may charge an Eligible Borrower de minimis fees for services that are customary and necessary in the Eligible Lender's underwriting practices, including appraisal and legal fees. (See FAQ G.12.)

Key T&C: Eligible Borrowers

Small- and Medium-Sized For-profit Businesses	Small- and Medium-Sized Nonprofit Organizations
U.S. business established prior to March 13, 2020	U.S. tax-exempt nonprofit or veterans' organization (described in section 501(c)(3) and (c)(19), respectively, of the Internal Revenue Code) in continuous operation since January 1, 2015
Must not be an Ineligible Business as modified and clarified by SBA regulations for purposes of the PPP (see term sheets and FAQ E.1 and E.13 for details)	Must not be an Ineligible Business as modified and clarified by SBA regulations for purposes of the PPP (see term sheets and FAQ E.1 and E.13 for details)
Have up to 15,000 employees <u>OR</u> up to \$5 billion in 2019 annual revenue	<ul style="list-style-type: none"> • Have up to 15,000 employees <u>or</u> up to \$5 billion in 2019 annual revenue • Have at least 10 employees
Must meet the financial criteria described in the term sheets	Have an endowment of less than \$3 billion
	Must meet the financial criteria described in the term sheets

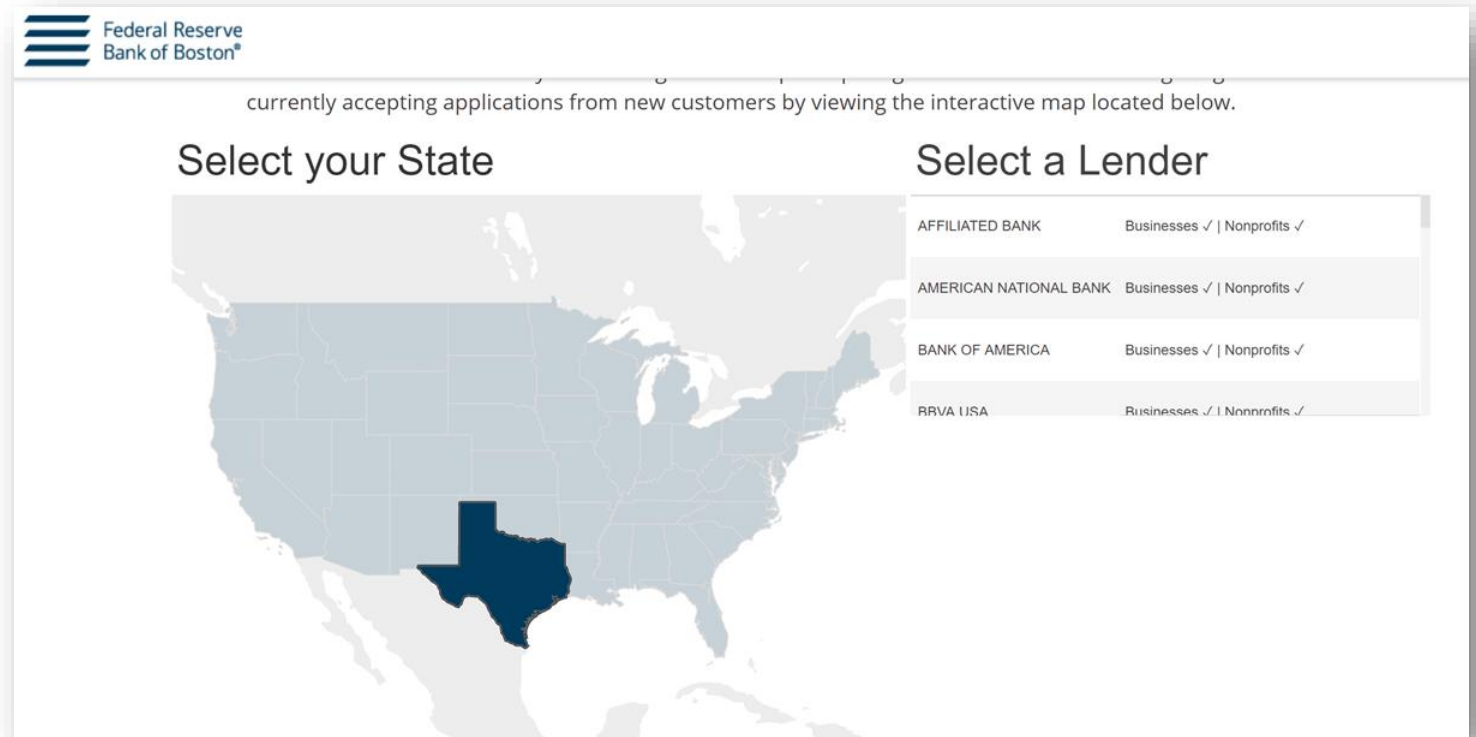
Getting Started

- Borrowers must complete required MSLP documentation, as well as the lender's loan documentation.
- Lenders apply their own underwriting standards in evaluating the financial condition and creditworthiness of borrowers.
- Lenders determine whether borrowers are approved for an MSLP loan.

*NOTE: Few lenders have capability to support MSLP loans. Most likely will require a move of financial relationship. *

Getting Started

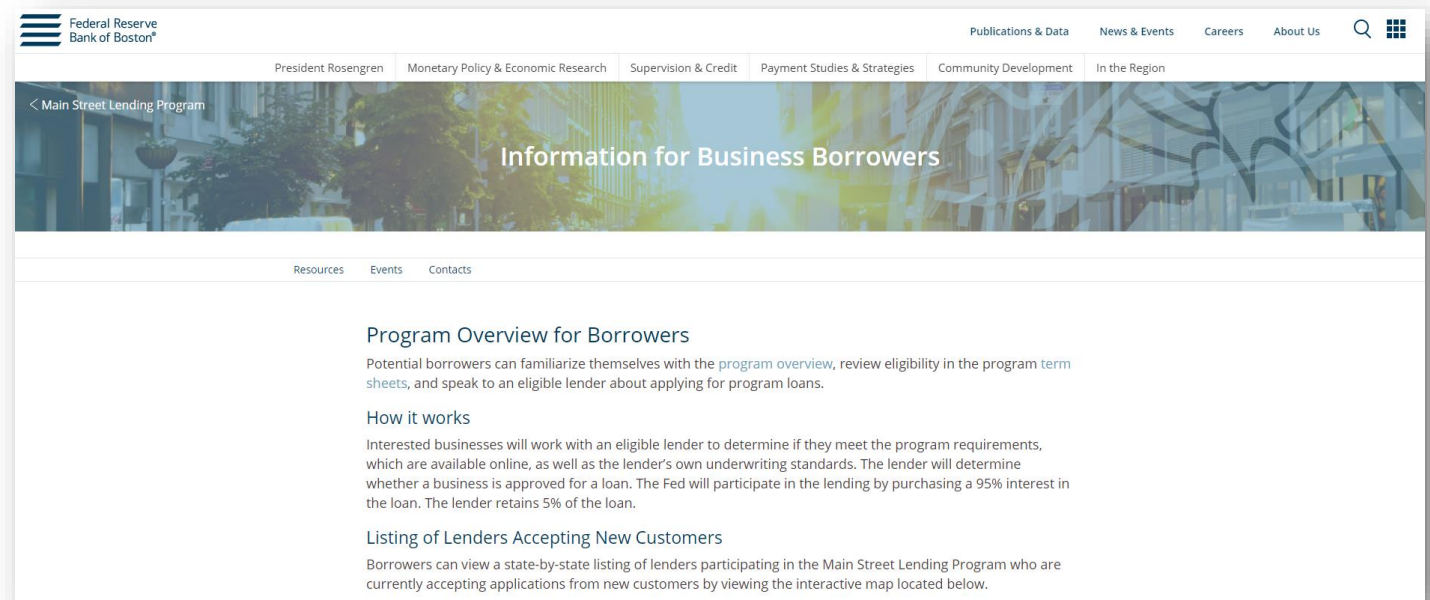
Borrowers can also view a state-by-state listing of lenders participating in the Main Street Lending Program who are currently accepting applications from new customers by viewing the [interactive map](#) on the MSLP website.



MSLP Interactive Map: <https://bit.ly/34vFLDb>

Additional Resources

- MSLP information, term sheets, FAQs, and other recorded sessions are located on the [Main Street Lending Program website](#)
- [Sign up](#) to receive email alerts for Program updates.
- Submit inquiries to MSLP@bos.frb.org



MSLP Website: www.bostonfed.org/mslp

Additional Resources



UPCOMING MSLP WEBINARS:
[08.27.2020](#) | [09.01.2020](#) | [09.03.2020](#)

Small Business Updates | EIDL Loans And Main Street Lending Program

[Return To Calendar](#)

8/27/2020

11:00 AM - 12:30 PM

Location: Online

Amount	
Add to Cart	Free

During this webinar, presenter Rebecca Schultz will walk you through the EIDL Loan Application and the Main Street Lending Program. You will also receive updates about both programs as changes occur.

Live Q & A included.

Presenter:

Rebecca Schultz, Founder and Executive Loan Consultant, Synerlock Funding

SBDC Calendar: <https://www.sbdc.uh.edu/sbdc/Calendar.asp>



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