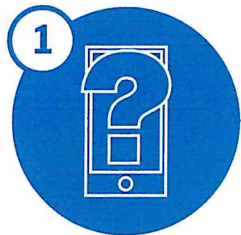


Mission-Based Small Business Lending Process

What to expect when applying for a loan from a nonprofit small business lender in Detroit. Each stage is subject to change based on the lending organization and responsiveness of borrower.



2-3 WEEKS

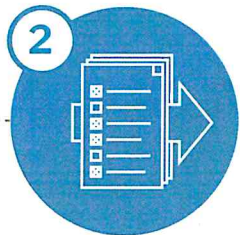
Inquiry*

Initial interaction between borrower and lender

Borrower contacts organization and submits projects details (business plan or pitch deck)

Lender organization reviews project details

**If the loan request cannot move forward due to the restrictions of their lending tools, the lender organization may refer the borrower to another organization or service provider.*



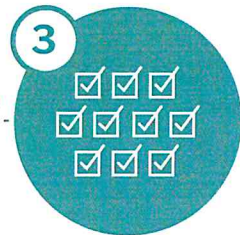
2-4 WEEKS

Application

Details about business or project sent to lender

Borrower completes formal application and submits additional documents as needed

Ensure satisfactory alignment with organization's mission



Internal Review

Lender reviews information submitted by borrower

Additional information often required

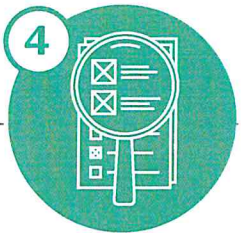
Internal evaluation of loan request

What information and documents will you need?

Exact documents needed will depend on the lender organization, but the list below will give you a sense of what to expect.

- ▶ Completed Application
- ▶ Business plan, including but not limited to: Organization Chart, SWOT, and Marketing Plan
- ▶ Project/Construction Budget
- ▶ Detail additional funding sources
- ▶ Proof of borrower cash or equity in the project
- ▶ Historical annual business/borrower financial statements (1-3 years)
- ▶ Historical personal Federal Tax Returns (1-3 years)
- ▶ Projected Balance Sheet and Income Statements with Stated Assumptions (1-3 years)
- ▶ Current personal financial statements for individuals guaranteeing the loan
- ▶ Operating Agreement/Bylaws - Document governing the management of internal operations of the business
- ▶ Articles of Incorporation
- ▶ General Contractor Agreement
- ▶ Draft lease agreement/LOI
- ▶ Equipment List/Cost Estimate
- ▶ Environmental Report (if applicable)
- ▶ Collateral Description with valuation/appraisal (if applicable)
- ▶ Accounts Receivable Aging Report (if applicable) - Account balances of customers due to be paid in one year or less
- ▶ Accounts Payable Aging Report (if applicable) - Account balances owed to suppliers due to be paid in one year or less
- ▶ Detailed Real Estate Schedules (as needed)
- ▶ Architect Renderings/Layout (if applicable)

2-4 WEEKS



2-4 WEEKS

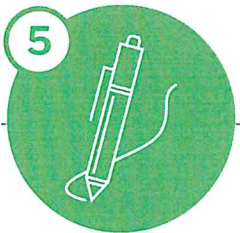
Underwriting/Approval

Information is analyzed to ensure lending requirements are met

Lender organization's underwriting team analyzes submitted documents

Loan officer presents loan request for approval

Loan terms presented to borrower for discussion and approval



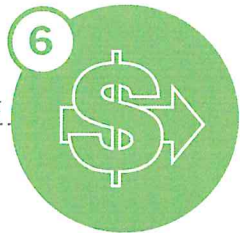
TIMING DEPENDS ON LOAN STRUCTURE

Closing

The process of signing loan documents

Loan documents drafted, client to review

Loan agreement and related documents signed by borrower and lender



Funding

When money is given to borrower for business or project

Funds disbursed per loan agreement and disbursement schedule

Borrower responsible for meeting ongoing loan agreement and annual reporting requirements

Other important things to know:

Location
City of Detroit

Length of Loan Process
6-12 weeks

Loan Fees
\$500-\$5,000

Range of Loans
\$5,000-\$500,000

Application Fees
\$0-\$250 or 1% of loan amount

Financing Uses
Working capital, startup expenses, leaseholder improvements, real estate acquisition, equipment