



## LOAN GUIDELINES\*

### **Eligibility – State of Texas**

- Business Lending
  - Growth-oriented businesses: manufacturing, distribution, service, retail
  - Economic development objectives: job creation/retention for low/moderate income persons **OR** business located in low/moderate income census tract **OR** minority-owned business
- Affordable Housing
  - Nonprofit **OR** For-Profit, single family **OR** multi-family units
- Community Facilities

### **Loan Amount**

- \$50,000 minimum
- Up to \$300,000 for a TMF “stand alone” loan
- Up to \$500,000 loan in tandem with another lender (e.g. banks, non-bank lenders, CDFI’s, CDC’s)
- Up to \$750,000 if collateralized by real estate

### **Use of Funds**

- Working capital
- Equipment
- Business acquisition
- Real estate acquisition: owner-occupied business or affordable housing
- Real estate rehab/construction: owner-occupied business or affordable housing
- Bridge financing for SBA 504 and other real estate transactions

### **Terms\***

- Working capital up to 5 years
- Equipment up to 7 years
- Owner-occupied real estate: up to 5-10 year note with payments based on 15-20 year amortization (note may have a balloon payment)
- Community facility: up to 5-10 year note with payments based on 15-20 year amortization (note may have a balloon payment)

### **Collateral**

- Business assets (e.g. A/R, inventory, FF&E, real estate)
- Personal assets (e.g. rental properties, life insurance)
- TMF lien position determined by financing structure. May subordinate collateral position to a financial institution in tandem lending transactions
- Personal guaranty of owner(s) with 20%+ ownership required

### **Rates/Fees\***

- Fixed rates but may consider adjustable rates (quarterly or annually). Pricing based on risk.
- Commitment fee: 1-2% of loan amount
- Closing costs, including TMF counsel-prepared loan documentation, paid by Borrower

*\* Rates, terms and conditions subject to change*

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