

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

The Family Business Loan Program is a public-private partnership between the City of Austin, HUD, and participating private lenders to offer low-interest loans to qualified small businesses that are expanding and creating jobs.

## WHERE DID FBLP COME FROM?

FBLP is a targeted economic development initiative launched in May 24, 2012 by the City of Austin Economic Development Department.

The Family Business Loan Program's mission 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 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
- Repayment Terms: Flexible repayment terms to meeting project-specific needs and financing to fund a wide range of eligible activities
- Low Equity Requirement: FBLP only requires a 10% equity injection from the borrower, eliminating a common barrier to conventional 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. Be a private for-profit business, legally organized and a going concern for at least 2 years
2. Meet the size standards of the Small Business Administration (SBA)
3. Able to demonstrate sufficient profitability to meet repayment requirements
4. Willing to locate project in the Austin area as represented by Council 10-1 plan
5. Commit to create no less than one job (FTE) for every \$35,000 borrowed

Additional Housing and Urban Development (HUD) and Small Business Administration (SBA) guidelines for eligibility and underwriting criteria may apply, all project must meet HUD National Objective/Public Benefit Standards.

## WHAT KINDS OF PROJECTS ARE ELIGIBLE?

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

*\*\* 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.