

Veteran Business Loan Initiative

City of Austin, Small Business Program



Small Business

CITY OF AUSTIN
ECONOMIC
DEVELOPMENT

What is the Veteran Business Loan Initiative (VBLI)?

The Veteran Business Initiative is part of the Family Business Loan Program (FBLP), a public-private partnership between the City of Austin in conjunction with the U.S. Department of Housing and Urban Development, which offers a low-interest rate loan and low borrower equity requirements to help create or expand a business.

Why borrow through the Veteran Business Loan Initiative?

The Veteran Business Loan Initiative offers a number of advantages over traditional commercial financing:

- **Interest Rates:** Interest rates on VBLI loans are significantly below regular market interest rates for a variety of business expansion projects
- **Low Equity Requirement:** VBLI only requires a 10% equity injection from the borrower--a common barrier to conventional financing
- **Working Capital:** Each loan can include up to \$35,000 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. Must meet the size standards of the U.S. Small Business Administration
2. Must be located in and continue to be located in the City of Austin
3. Former United States Active Duty Military, which includes Reservists, National Guard and Coast Guard personnel from all services (Army, Air Force, Navy and Marines)
4. Must be located within the 10-1 District of the municipal jurisdiction of the City of Austin
5. Preference to borrows will be given in the following order:
 - a. Borrowers with at least one year's experience
 - b. Borrowers with at least six months experience
 - c. Start-ups

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

What can the Veteran Business Loan Initiative funds be used for?

- Working capital
- Inventory or supplies
- Furniture or fixtures
- Machinery or equipment

Proceeds from an SBA microloan cannot be used to pay existing debts or to purchase real estate.

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 Veteran Business Loan Initiative Advisor.

Our advisors will discuss in greater detail how the Veteran Business Loan Initiative can help you realize your business dreams.