

- The State Small Business Credit Initiative (SSBCI) is a federal program administered by the U.S. Treasury, that helps states support small businesses and startups that are creditworthy but unable to access the capital they need to grow or establish their businesses and create jobs within the Commonwealth.
- SSBCI emphasizes assistance for very small businesses (VSBs) with fewer than 10 employees and no more than 250 employees, and small businesses owned by socially and economically disadvantaged individuals (SEDIs).



- The Virginia Small Business Financing Authority's Economic Development Loan Fund is designed to fill the financing gap between private debt financing and private equity.
- VSBFA *Capital Connect* loans are intended to create economic benefit in Virginia through increased revenues and the creation of new jobs and the retention of "at risk" jobs.
- Completed applications will be reviewed by the VSBFA staff. VSBFA typically approves or declines the Borrower's application within a week of receiving all required application information.
- Loan closings for approved requests are scheduled by VSBFA. VSBFA legal fees for the closing are paid by the Borrower.

- Credit decisions will be based on the Borrower's creditworthiness, ability to repay the loan, collateral offered to secure the loan, and the economic benefit to the Commonwealth
- A high-level description of the *Connect Program* is below. For more information about eligibility requirements, program rules, application process, and participating lenders, email VSBFA@sbsd.virginia.gov

SSBCI 2.0	<i>Capital Connect Program</i>
Program Highlights	Direct loans originated by VSBFA in conjunction with separate financing being concurrently provided by a private-sector lender
Program Limits	Direct loans of up to \$1,000,000 or a maximum of 40% of the total project costs, whichever is less.
Eligible Applicants	Small Business is defined as < 250 employees in Virginia at the time of application and < 750 employees nationwide. Small Business eligibility is also subject to SSBCI 2.0 program guidelines (RESTRICTIONS APPLY)
VSBFA Fees	Interest Rate Fixed at Loan Closing; Due to the limited time-frame of federal funding for this program, VSBFA is temporarily waiving all program fees, including the \$500 application fee. If the application is approved, the Borrower will be responsible for paying pre-negotiated legal fees associated with the loan closing and the recordation of any liens associated with VSBFA's loan.
Terms and Conditions	Amortization up to 25 years with a loan term < 10 years Personal guarantees required of any principal with more than 20% ownership in the company
Interest Rates and Other Limitations	Established by VSBFA Fixed at Loan Closing VSBFA's loan docs and loan docs of all participating lenders may not include Confession of Judgement language
Eligible Uses	Fixed assets, Real Estate (RESTRICTIONS APPLY)
Ineligible Uses	Goodwill, Passive Real Estate Investment, Residential Real Estate, Purchases of Stock

For Program Applications and More Information Email VSBFA@sbsd.virginia.gov