

Financial Services Corporation - Fiscal Year 2022 Budget Review Summary

Proposed FY 2022 Operating Budget

Revenue							
Fund	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	% Change Est vs App	FY 2022 Proposed	\$ Change	% Change
County Grant	\$ 1,122,500	\$ 1,203,100	\$ 1,203,100	0.0%	\$ 1,094,800	\$ (108,300)	-9.0%
Other Sources	618,858	680,000	825,800	21.4%	871,200	191,200	28.1%
Total	\$ 1,741,358	\$ 1,883,100	\$ 2,028,900	7.7%	\$ 1,966,000	\$ 82,900	4.4%

FY 2021 Proposed Budget – Key Highlights

- The FY 2022 Proposed Budget for the Financial Services Corporation (FSC) is approximately \$1.97 million, an increase of \$82,900, or 4.4%, above the FY 2021 Approved Budget. FSC is primarily funded through an annual County grant in the Non-Departmental section of the budget, which is proposed at \$1.1 million for FY 2022.
- In FY 2022, compensation is proposed at \$1,074,400, which is a decrease of \$26,100, or 2.4%, below the FY 2021 Approved Budget level, to align with anticipated costs. Funding is provided for 11 full-time positions and two (2) positions that were vacant as of March 2021. The Corporation reported that merit increases will be considered on a case by case basis, if savings are realized within the budget.
- FSC experienced one resignation in FY 2021, due to the pandemic.
- FY 2022 operating expenses are proposed to increase by \$117,900, or 25.6%, above the FY 2021 Approved Budget.
- FSC administers the County’s Economic Development Incentive (EDI) Fund. For the period of March 1, 2012 through February 17, 2021, the EDI Fund has had a total of 44 loans close with disbursements totaling approximately \$31.2 million and a total remaining outstanding principal balance of approximately \$22.2 million.
- Since the inception of the EDI Fund, seven (7) loans, in the amount of \$2.8 million have been fully or partially forgiven, and 10 loans totaling \$8.2 million have been paid in full.
- **Impact of the Pandemic on Operations:**
 - ❖ In FY 2021, FSC attended a total of 33 events and outreach activities with approximately 1,107 attendees to promote its services. Most of the outreach activities were held virtually due to the pandemic.
 - ❖ FSC reported that it had to pivot from its core lending services to grant administration, as a result of the COVID-19 pandemic. With anticipated COVID-19 recovery efforts and an increase in relief grants, FSC is anticipating that the grant administration efforts will significantly impede its ability to focus on generating a pipeline of the highest and best qualified prospects for direct lending; thus, its revenue stream will be negatively impacted.
 - ❖ FSC reported that it hired consultants to assist with the processing of COVID-19 related grant, and that the additional expenditures may not fully be reimbursed.
 - ❖ FSC partnered with the Prince George’s County Economic Development Corporation to administer a total of \$34.4 million in grant funds throughout the County.

Expenditures by Category

Category	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	FY 2022 Proposed	\$ Change	% Change
Compensation	\$ 987,129	\$ 1,100,500	\$ 1,112,000	\$ 1,074,400	\$ (26,100)	-2.4%
Fringe Benefits	248,666	322,600	312,000	313,700	\$ (8,900)	-2.8%
Operating Expenses	526,056	460,000	927,500	577,900	\$ 117,900	25.6%
Total	\$ 1,761,851	\$ 1,883,100	\$ 2,351,500	\$ 1,966,000	\$ 82,900	4.4%



**THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigation**

May 6, 2021

MEMORANDUM

TO: Calvin S. Hawkins, II, Chair
Committee of the Whole (COW)

THRU: David H. Van Dyke, County Auditor *DHV*
Turkessa M. Green, Deputy County Auditor *IMG*

FROM: Jude S. Moise, Senior Auditor *JM*

RE: Financial Services Corporation
Fiscal Year 2022 Budget Review (Non-Departmental Grants & Transfer Payments)

Budget Overview

The Financial Services Corporation (FSC) is primarily funded through an annual County grant in the Non-Departmental section of the budget. The Corporation's proposed FY 2022 budget reflects County grant funding in the amount of \$1,094,800. This represents a decrease of \$108,300, or 9.0%, below the FY 2021 County approved funding level.

Approved Fiscal Year 2021 to Proposed Fiscal Year 2022:

Category	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	FY 2022 Proposed	Change Amount	Percentage Change
Prince George's County Grant	\$1,122,500	\$ 1,203,100	\$1,203,100	\$ 1,094,800	\$ (108,300)	-9.0%

Budget Comparison - Consolidated Budget

FY 2022 proposed revenues for the Financial Services Corporation total \$1,966,000, an increase of \$82,900, or 4.4%, above the FY 2021 Approved Budget. This net change is attributed mainly to anticipated increases in Management/Service Fees and Net Fundraising Revenue/Gross Grant Revenue, offset primarily by a decrease in the County Grant and Net Loan Programs. The expected \$158,400 increase in Management/Service Fees revenue reflects FSC's decision to retain the full EDI Fund Servicing fee versus the current fee sharing arrangement. This decision was made for FY 2022 to offset the impact of loan payoffs, as well as limitations on the lending pipeline given COVID-19 and the reduced ability for many small businesses to take on new debt.

Approved Fiscal Year 2021 to Proposed Fiscal Year 2022

Category	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimated	FY 2022 Proposed	\$ Change	% Change
<u>REVENUES</u>						
Prince George's County Grant	\$ 1,122,500	\$ 1,203,100	\$ 1,203,100	\$ 1,094,800	\$(108,300)	-9.0%
Net Loan Programs	223,093	218,600	204,400	182,000	(36,600)	-16.7%
Administrative Services	-	6,000	-	3,000	(3,000)	-50.0%
Net Fundraising Revenue/Gross Grant Revenue	49,618	75,000	470,000	150,700	75,700	100.9%
Bank & Investment Interest	3,833	2,000	2,000	2,000	-	0.0%
Management/ Servicing Fees	310,011	360,100	107,400	518,500	158,400	44.0%
Other Income	32,303	18,300	42,000	15,000	(3,300)	-18.0%
Total	\$1,741,358	\$1,883,100	\$2,028,900	\$1,966,000	\$ 82,900	4.4%
<u>EXPENDITURES</u>						
Compensation	\$ 987,129	\$ 1,100,500	\$ 1,112,000	\$ 1,074,400	\$ (26,100)	-2.4%
Fringe Benefits	248,666	322,600	312,000	313,700	(8,900)	-2.8%
<u>Operating</u>						
Accounting, Compliance & Auditing Services	84,313	60,000	60,000	63,000	3,000	5.0%
Consulting Fees, Grant Writer & Fund Development	-	-	-	-	-	N/A
IT Maintenance & Service	26,633	54,100	44,000	57,000	2,900	5.4%
Payroll & Administrative Costs / External Marketing Consultant	38,292	17,000	17,000	17,000	-	0.0%
Board & Committee Meeting Exp.	13,168	2,500	750	1,000	(1,500)	-60.0%
Copying & Printing	8,687	3,000	3,000	2,000	(1,000)	-33.3%
Depreciation	6,306	9,500	8,500	8,500	(1,000)	-10.5%
Subscriptions, Dues, & Misc.	27,308	15,000	16,000	20,000	5,000	33.3%
Insurance Premium/Renewal	18,851	17,000	17,000	18,000	1,000	5.9%
Software Licenses & Maintenance Fees	4,093	9,710	15,000	15,000	5,290	54.5%
Legal Fees	151	1,090	1,500	1,000	(90)	-8.3%
Loan Loss Reserves	100,000	100,000	200,000	100,000	-	0.0%
Liquidation & Collection Expenses	-	15,000	20,000	15,000	-	0.0%
Marketing & Public Relations	49,752	17,000	17,000	20,000	3,000	17.6%
Misc./Other Expenses	3,803	300	300	300	-	0.0%
Office Equipment Lease	12,183	12,700	12,700	12,700	-	0.0%
Interest Expense	80,259	77,000	77,000	77,000	-	0.0%
Office Supplies & Expenses	8,900	14,200	14,200	14,200	-	0.0%
Portfolio Services	24,910	16,900	17,000	17,000	100	0.6%
Staff Development and Training	4,734	6,000	4,000	4,000	(2,000)	-33.3%
Telephone & Teleconferences	5,819	8,500	7,200	8,500	-	0.0%
Travel	7,894	3,500	300	1,700	(1,800)	-51.4%
Legacy Fund Expenses	-	-	30,000	-	-	N/A
Special Program Expenses	-	-	345,000	105,000	105,000	N/A
Sub-Total	\$ 526,056	\$ 460,000	\$ 927,500	\$ 577,900	\$ 117,900	25.6%
Total	\$1,761,851	\$1,883,100	\$2,351,500	\$1,966,000	\$ 82,900	4.4%
Excess Revenue Over (Under) Expenses	\$ (20,493)	\$ -	\$ (322,600)	\$ -	\$ -	

Source: FY 2022 First Round Responses Attachment 4

Staffing Changes and Compensation

- In FY 2022, compensation is proposed at \$1,074,400, which is a decrease of \$26,100, or 2.4%, below the FY 2021 Approved Budget level. The decrease is to align compensation with anticipated costs. The Corporation states that it will consider merit increases on a case by case basis, if it is able to realize savings within their budget.
- The FY 2022 Proposed Budget includes funding for 11 full time positions. FSC experienced one resignation due to the pandemic in FY 2021.
- As of March 2021, the Corporation reported two (2) vacant positions, a full-time Specialized Commercial Loan Underwriter and a Commercial Loan Assistant. The FY 2022 Proposed Budget provides funding in the amount of \$183,588 for these positions.
- FSC reported that there has been minimal disruption to its work processes from the impact of the pandemic. All FSC 's employees have successfully transitioned to telework and independently work on-site on a pre-authorized schedule and as needed basis.

Fringe Benefits

- Fringe benefit expenditures are proposed at \$313,700 in FY 2022, a decrease of \$8,900, or 2.8%, below the FY 2021 Approved Budget, to support the anticipated compensation level.

Operating Expenses

- In FY 2022, operating expenditures are proposed at \$577,900 and are comprised of the following major items:
 - Loan Loss Reserves \$ 100,000
 - Interest Expense 77,000
 - Accounting, Compliance & Auditing Services 63,000
 - IT Maintenance & Service 57,000
- FY 2022 operating expenses are proposed to increase by \$117,900, or 25.6%, above the FY 2021 Approved Budget.
- The most significant increase between the FY 2022 Proposed Budget and the FY 2021 Approved Budget is in Special Program Expenses (\$105,000 increase), based on anticipated grants to support costs to enhance the financial acumen of borrowers, as well as other internal organizational needs.
- The most significant dollar decrease between the FY 2022 Proposed Budget and the FY 2021 Approved Budget is in Staff Development/Training (\$2,000)

Mission/Highlights

- FSC is a non-profit organization whose mission is to provide small and minority-owned businesses access to creative, flexible and innovative financing solutions for their operations including direct loans, accounts receivable financing and contract financing (e.g., commercial real estate and equipment loans).
- As of March 2021, FSC has attended a total of 33 events and outreach activities with approximately 1,107 attendees to promote the Corporation’s services. Most of the outreach activities took place virtually due to the pandemic.
- FSC reported that it had to pivot from its core lending services (revenue generation) to grant administration, as a result of the COVID-19 pandemic. The organization states that with the anticipated COVID-19 recovery efforts and increase in relief grants coming to the County, it is anticipating that the grant administration efforts will significantly impede its ability to focus on generating a pipeline of the highest and best qualified prospects for direct lending; thus, its revenue stream will be negatively impacted.
- FSC has had to hire consultants to assist with the processing of COVID-19 related grants. FSC reported that the additional expenditures incurred to process COVID-19 grants may not fully be reimbursed.
- One of FSC’s principal goals in FY 2021 is to restructure the organization to support a new Post-COVID-19 Business Model by establishing a structure that provides the opportunity to pivot in support of expanded lending activities, refined grant administration and integrated technology infrastructure.
- In FY 2021 (as of January 11, 2021), FSC has partnered with the Prince George’s County Economic Development Corporation to administer the following grant funds throughout the County:

Fund Sources	Amount	# of Companies Funded	# of Jobs Supported
Business Recovery Initiative (BRI) Fund	\$20 Million	581	3,090
Legacy Fund	\$1 Million	178	659
Day Care Providers Relief Program	\$2 Million	220	N/A
Million Restaurant Resiliency Program	\$11.4 Million	346	N/A
Total	\$34.4 Million	1,325	3,749

- In FY 2021, FSC will generate approximately \$311,000 in interest and fee income from direct lending activities (new and existing portfolios). FSC plans to close and fund \$5.8 million in new lending activity by the end of this fiscal year.
- As of February 28, 2021, FSC reports 134 jobs created and three (3) jobs retained in FY 2021.

Economic Development Incentive (EDI) Fund

- FSC assumed the role of underwriter with the launch of the \$50 million Economic Development Incentive Fund in FY 2013. The program has afforded FSC the opportunity to collaborate with other funds and combine resources to fund larger projects.
- For the period of March 1, 2012 through February 28, 2021, the EDI Fund has had a total of 44 loans close with disbursements totaling \$31,174,735.39, and a total remaining outstanding principal balance of \$22,151,101.78.
- Since the inception of the EDI Fund:
 - Seven (7) loans, in the amount of \$2,766,438, have been fully or partially forgiven; and
 - 10 loans totaling \$8,200,000 have been paid in full.
- Below is the calculation for the Corporation’s EDI Fund balance and activity as of February 28, 2021:

EDI Fund Balance and Activity as of 2/28/21:	
Starting Balance	\$50,000,000
Less Loans Committed	(41,418,500)
Subtotal	8,581,500
Plus Principal Repayments	12,893,525
Plus Interest Repayments	1,935,118
Minus EDIF COVID-19 Relief Contribution	2,500,000
Projected Ending Balance	\$20,910,143

Note: The \$50 million starting balance is based upon initial assigned amount. Each year \$9 million is estimated to be appropriated for the EDI Fund with each loan amount to be approved by County Council legislation.

Portfolio Management

- The chart below details the status of the loan portfolio for FY 2021. See attachments A-1 and A-2 for details of FSC’s current loan programs.

Program	FUNDED				UNFUNDED				ELIMINATED	
	Closed/Funded in FY 2020 *	# of	Current Outstanding Loan Balance *	# of	In Closing Process/Pending but Approved *	# of	Aggregate Amt of Loans in Pipeline *	# of	Withdrawn in FY 2021 *	# of
Core										
SBA 504	\$ 528,250	3	\$ 12,171,712	14	\$ 840,000	1	\$ 3,500,000	3	\$ 1,278,000	1
SBA 7(a)	\$ -		\$ -		\$ -		\$ -		\$ -	
Small Business Growth Fund	\$ 603,000	4	\$ 1,512,839	13	\$ 300,000	3	\$ 150,000	2	\$ -	
Sub-Core										
VLT Flex Fund	\$ -		\$ 1,591,491	9	\$ 25,000	1	\$ 1,307,500	10	\$ -	
Micro-Cap One	\$ 50,000	1	\$ 92,024	2	\$ -		\$ -		\$ -	
HUD 108	\$ -		\$ 456,353	1	\$ -		\$ -		\$ -	
City of Bowie Loan Fund	\$ 100,000	2	\$ 206,046	4	\$ -		\$ -		\$ -	
EDI Fund	\$ 800,000	3	\$ 22,031,102	26	\$ 2,500,000	3	\$ 3,180,000	4	\$ -	
C-PACE	\$ 1,292,844	3	\$ 1,332,983	2	\$ -		\$ -		\$ -	
Micro-MD DHCD	\$ -		\$ 57,251	2						
BEF	\$ -		\$ 290,549	1						
Total	\$ 3,374,094	16	\$ 39,742,350	74	\$ 3,665,000	8	\$ 8,137,500	19	\$ 1,278,000	1

Category Definitions

Closed/Funded- the loan was approved, closed with loan documented executed and funds disbursed

Current Outstanding Loan Balance- Current amount due including principal and/or interest

In Closing Process/Pending but Approved- the loan is approved but not closed and no funds have been disbursed. Still needs Council approval

Aggregate Amount of Loans in Pipeline-applications/loans packages in varying stages of the intake/pre-qualification/underwriting/approval process

Withdrawn-the loan will not close as a result of the applicant request or non-compliance with the terms of the commitment letter

Attachment A-1

FSC FIRST PROGRAMS

SBA 504 COMMERCIAL REAL ESTATE LOAN

This loan is ideal for more established business owners who desire to purchase owner-occupied commercial real estate. Interests in commercial real estate may include accommodations, warehouses, retail centers, office buildings, and venues for use by public and private entities. Loans are guaranteed by the U.S. Small Business Administration (SBA).

- **Loans:** Up to \$5.5 million for healthy expanding businesses
- **Loan Term:** 25 years for real estate, 10 years for machinery and equipment
- **Interest Rate:** Fixed, below market financing

SMALL BUSINESS GROWTH FUND (SBGF)

The Small Business Growth Fund (SBGF) is a public-private revolving loan fund targeted towards smaller, established businesses (at least 3 – 5 years of operating history). This may be used towards smaller real estate acquisitions, leasehold improvements, equipment purchases, working capital expenditures, and inventory and human capital increases for the purpose of expanding established businesses.

- **Loans:** \$25,000 – \$250,000 (\$100,000 maximum for start-ups)
- **Loan Term:** Up to 10 years
- **Interest Rate:** Wall Street Journal Prime Rate plus up to 6%
- **Collateral:** Business and Personal Assets
- Personal Guarantees required
- 10% cash down payment required for existing firms, and 20% cash required for start ups
- Prince George's County-based businesses ONLY

GREEN ENERGY LOAN PROGRAM

The Program was created to advance public and private investment in clean energy and other innovative green technologies in Prince George's County. This fund is a Pepco/Exelon sponsored program that supports an emerging industry in the County with loans up to \$250,000 for commercial building energy efficiency improvements, energy conservation & renewable energy measures.

- **Loans:** Loan, guarantees or loan loss reserve up to \$250,000
- **Loan Term:** Not to exceed 20 years
- **Interest Rate:** Dependent upon underwriting, typically not exceeding 6%
- **Application Fee:** 1% of loan amount
- **Administration/Program Fees:** 1.5% of allocation for software & servicing system licensing & set up
- **Loan Closing Fee:** 1% of loan amount
- **On-going Servicing/Guaranty Fee:** 20 bps on outstanding principal balance annually
- **Energy Audit or Feasibility Study Required?** Yes

CITY OF BOWIE LOAN FUND

FSC First is the designated Fund Manager for the City of Bowie Revolving Loan Fund which provides businesses with assistance for costs associated with leasehold improvements, equipment purchases, working capital expenditures, and human capital increases for the purpose of expanding their already-established business.

- **Loans:** Up to \$50,000
- **Loan Term:** 2 to 10-year maximum term
- **Interest Rate:** Wall Street Journal Prime Rate plus up to 6%
- **Collateral:** Business and Personal Assets
- Personal Guarantees required
- Businesses located in Bowie ONLY

MICRO-ENTERPRISE LOAN PROGRAM (MD DHCD)

FSC First is a designated Fund Manager for the Maryland Department of Housing & Community Development (MD DHCD). Eligibility includes leasehold improvements, equipment purchases, working capital expenditures, and human capital increases for the purpose of expanding an established business and feasible start-up.

- **Loans:** Ranging from \$5,000 – \$50,000
- **Loan Term:** 2 to 5-year maximum term
- **Interest rate:** Wall Street Journal Prime Rate plus up to 6%
- **Collateral:** Business and Personal Assets
- Personal Guarantees required
- Available to home-based businesses based on FSC First's approval
- Now available to businesses located in Priority Funding Areas (PFA's) and Sustainable Communities Statewide

ECONOMIC DEVELOPMENT INCENTIVE (EDI) FUND

FSC First is the designated Fund Manager for the Prince George's County EDI Fund. \$50 million has been allocated to provide for the retention, expansion and attraction of businesses that will broaden the county's commercial tax base, retain and attract jobs, support small and local enterprises, promote development and redevelopment opportunities, transit-oriented development and the growth of key industry sectors.

- **Loans:** \$250,000 minimum
- **Loan Term:** 10 years maximum, amortization not to exceed 25 years
- **Interest Rate:** 4% plus, depending on credit analysis
- **Eligible Uses:** Land and building acquisitions, building construction and improvement, equipment acquisition, and working capital
- Must create jobs and increase the commercial tax base – evaluation is conducted on a case by case basis by the EDC
- **Collateral:** Business and Personal Assets
- Personal Guarantees required
- Projects located in the County's developed tier, transit-oriented development areas, Transforming Neighborhoods Initiative areas and other focus areas will be given special priority
- Prince George's County ONLY

Attachment A-2

SMALL BUSINESS FLEX FUND

FSC First is the Intermediary lender for the State Department of Commerce's Video Lottery Terminal fund supports working capital needs, without requiring a government guarantee or the funding of loan loss reserves. The fund uses proceeds from video lottery terminals (slots) to assist small, minority, and women owned businesses located in targeted areas surrounding six Maryland casinos: Maryland Live in Anne Arundel County, Hollywood Casino Perryville in Cecil County, Rocky Gap in Allegany County, Ocean Downs in Worcester County, Horseshoe Casino in Baltimore City and National Harbor in Prince George's County.

Loan Amount: \$25,000 – \$250,000

COMMERCIAL PROPERTY ASSESSMENT FOR CLEAN ENERGY

FSC First is a designated Fund Manager for the Commercial Property Assessed Clean Energy (C-PACE) Program assists commercial property owners in accessing financing up to 20% of the appraised value to make qualifying energy efficiency and clean energy improvements to commercial properties with loans that are repaid through an annual surcharge on the owner's property tax bill. Eligible energy conservation measures include but are not limited to:

- Solar energy equipment
- Geothermal energy devices
- Wind energy systems
- Water conservation devices
- Measures or systems or any construction renovation or retrofitting of commercial property to reduce energy consumption including high efficiency lighting and building systems, heating ventilation air conditioning (HVAC) upgrades, high efficiency boilers & furnaces, high efficiency hot water heating systems, combustion & burner upgrades, fuel switching, heat recovery & steam traps
- Building shell or envelope improvements
- Fenestration improvements
- Building energy management systems and process equipment upgrades

STRIVE FOR 35 LOAN FUND

FSC First is a designated Fund Manager for the Washington Gas Strive for 35 Loan Fund. This loan is geared towards diverse vendors who are interested in working in the natural gas industry and may have difficulty obtaining capital through traditional sources. The fund is provided to assist minority-owned, women-owned and service-disabled veterans interested in serving the natural gas industry such as underground pipe and fitting, paving, engineering, hauling and removal, general construction, catering, staffing and employment agencies and other businesses whose services are needed by natural gas utilities.

- **Loan Amount:** \$10,000-\$50,000
- **Loan Term:** Up to 5 years (depending upon fund availability)
- **Interest:** Up to 7%
- **Personal Guaranty:** Required
- **Prepayment Penalty:** No
- **Application Fee:** 1% of Loan Amount

MOUNT RAINIER MILLION DOLLAR INCENTIVE FUND

(Suspended through 8/31/21)

FSC First is a designated Fund Manager for the Mt. Rainier Million Dollar Incentive Fund which may be used for the purchase of real estate or expansion, machinery, equipment, furniture, fixtures, construction, leasehold improvements, inventory and working capital for business purposes.

- **Loans:** Up to \$50,000
- **Loan Term:** Shall be tailored to suit the projected cash flow with the intent to minimize the terms to fewer than 5 – 7 years in most cases. Generally, loans will be fully amortized however, balloon payments may be set on a case-by-case basis.
- **Interest Rate:** Shall be determined by the application and all underwriting criteria.
- **Property/business** must be located in the City of Mount Rainier
- **Property** must be for commercial/business use. The property cannot be owned by the government
- **Applicant** must be 100% legal owner of the property as recorded on title or lease holder
- **Applicant** must have a City business license, be current on all license fees and taxes, and not have any outstanding City Code violations
- **Applicant** must demonstrate that recent taxes, surcharges and charges on the property have been paid
- **Applicant** must establish that the business or property owner is able to repay the loan provided under the MDIF program or has the ability to comply with the terms of the incentive agreement
- **Applicant** must be in good standing with the Maryland State Department of Assessments and Taxation

EDI FUND CONTRACTORS ADVANTAGE PROGRAM (CAP)

FSC First is a designated Fund Manager for the EDI Fund Contractors Advantage Program (CAP) utilizes \$1 million of EDI Funds to support County-based contractors seeking lines of credit to finance working capital, equipment, labor and materials.

- **Loans:** \$250,000 maximum
- **Loan Term:** 10 years max; amortization not to exceed 25 years
- **Interest Rate:** to be determined by the underwriting bank
- Collateral to be determined by the Bank
- Interest rate to be determined by the underwriting bank
- **Loan Term** of 10 years max; amortization not to exceed 25 years
- **Maximum line of credit:** \$250,000
- **Maximum 24-month loan term**
- **Maximum 25% Guarantee** (not to exceed \$62,500) to be provided by FSC First (CAP)
- **Personal Guaranties** required
- **Preference** for Local Small Minority Business Enterprises (LSMBEs) requiring assistance for Prince George's County-based projects only
- **Fee:** 1% of guaranteed portion of loan