



## Equipment and Facilities Loan Product Description

**Loan Type:** Short-term working capital and small capital expenditure needs.

**Eligible Uses:**

- *Equipment and Capital expenditures:* Funds to purchase equipment or other capital need that will help enhance and improve the operation. Funds will be disbursed in one installment; the equipment will be recorded as collateral.
- *Facilities improvement:* Funds to build upon or improve a not-for-profit's primary place of operation. Funds will be disbursed in installments at the discretion of the Fund as work progresses, provided that the Fund is provided with proper invoices and other documentation as requested.
- LOC for working capital secured by assignment of grant or contract funds

**Eligible Borrower:** Non-profit housing or service organizations including FQHCs

**Loan Amount:** Up to \$50,000 with assigned contracts as collateral  
Up to \$350,000 with real estate collateral

**Term:** Working Capital Loans up to 12 months (renewable)  
Capital Loans up to 60 months

**Interest Rate/Fees:** 6.0% - 7%

**Repayment:** interest only on the outstanding balance for working capital loans with lump sum repayment at the time of receipt of assigned contract or grant funds. GNHCLF may request a check for the repayment amount to be held in escrow. Capital loans will be fully amortizing over a period of 1 – 5 years.

**Source of Repayment:**

Take out commitments or a designated source of repayment must be in place or at least identified at the time a loan is made. If repayment is from an anticipated grant, evidence of commitment of grant reservations must be presented and staff will make confirmations with contacts at the funding agencies or foundations. If repayment is amortized over the term of the loan, borrower must demonstrate the availability of a source for these payments.

**Fees:** 1% of loan amount with a minimum of \$100

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