



# SMALL BUSINESS LOANS



## LOAN PRODUCTS

SC Community Loan Fund (SCCLF) provides loans to finance acquisition, predevelopment, infrastructure, construction, renovation, leasehold improvements, machinery and equipment, working capital, and permanent financing business costs.



## ELIGIBLE PROJECTS

SCCLF finances the capital needs of community businesses serving and employing low to moderate income individuals located in underserved South Carolina communities. Eligible projects include, but are not limited to, retail stores and service businesses, wholesalers, and small manufacturers.



## ELIGIBLE APPLICANTS

Non-profit organizations, government entities, and for profit businesses are eligible to apply.



## GET STARTED

Complete the loan inquiry form at [www.sccommunityloanfund.org](http://www.sccommunityloanfund.org).



## CONTACT US

Coastal Office  
*Charleston, SC*  
843.973.7285

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Midlands Office  
*Columbia, SC*  
803.403.5524

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Upstate Office  
*Spartanburg, SC*  
864.208.7864



Or Email our Lending Team at:  
[borrow@sccommunityloanfund.org](mailto:borrow@sccommunityloanfund.org)

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SCCLF finances projects that: 1) Provide affordable housing; 2) Create access to food and essential services; 3) Increase the quality and availability of neighborhood facilities; 4) Create employment opportunities; 5) Attract additional investment; and 6) Strengthen the social and economic fabric of the community.



## LOAN PROGRAM TERMS

**LOAN AMOUNTS:** Loans range from \$10,000 - \$1,000,000. Larger loans are available.

**INTEREST RATES:** Rates are between prime and 4 points over prime. Interest rate discounts: up to 0.5% for developments serving households at 80% of area median income and below; up to 1% for developments serving households at 60% of area median income and below; and up to 0.5% for developments that are certified energy efficient by LEED, Green Communities, Earth craft, Energy Star, and NAHB

**MAXIMUM TERM:** Bridge loans up to 12 months (one year); gap loans up to 36 months (three years); working capital loans up to 60 months (five years); machinery and equipment loans up to 84 months (seven years); permanent loans up to 120 months (ten years)

**ELIGIBLE BORROWERS:** Non-profit organizations, for profit businesses, and government entities developing eligible properties

**ELIGIBLE ACTIVITIES:** Loans can be used for predevelopment, acquisition, infrastructure, rehabilitation, construction and permanent financing; improvement of land, buildings, plant and equipment, including new construction or renovation of existing facilities, demolition and site preparation; working capital loans can be used for the startup of new businesses or the continued operations of existing businesses.

**SERVICE AREA:** SCCLF finances projects throughout South Carolina.

**TARGETED LENDING:** SCCLF finances low-income housing and community facility projects located throughout South Carolina; healthy food businesses located in any USDA designated food desert or PolicyMap designated limited supermarket access area; community businesses located in low to moderate income neighborhoods that directly meet the service or employment needs of low to moderate income populations

**SECURITY:** Loans must be secured. Development loans may be secured by a commitment letter for construction financing, permanent financing, grant funding, a promissory note, mortgage, and personal guarantee. Commercial loans may be secured by a lien on the assets of the business financed including machinery, equipment, furniture, fixtures, and real estate. SCCLF will not accept inventory and notes receivable as collateral. Exception: SCCLF may accept a written commitment of funds from a government entity or other reliable source as collateral if the purpose of the SCCLF loan is to enable the borrower to fulfill the requirements for disbursing those funds.

**SECURITY ASSURANCES:** Appraisal, environmental assessment, title insurance, liability and flood plain insurance, certificate of occupancy, and inspection

**DEBT SERVICE COVERAGE:** Housing loans require a minimum of 1.15, with a pre-funded operating reserve on permanent loans; commercial loans require a minimum of 1.25

**EQUITY CONTRIBUTION:** Loans require a 10% minimum equity contribution; housing loans also require a pre-funded operating reserve on permanent loans.

**PAYMENT:** Interest-only through construction; principal due in full upon construction loan closing. Permanent loans usually have equal monthly payments of amortized principal and interest. However, 10 year terms with amortization periods of up to 15 years may be allowed with a balloon payment at the end of the 10 year term, in order to accommodate the financing needs of the development.

**FEES:** \$600 Non-refundable application fee; 1.5 - 2.5% loan origination fee due at closing depending on loan program and affordability percentage; 5% late fee of the amount past due after 10 day grace period; returned check fee equal to fees charged to SCCLF for each returned check or \$35.00, whichever is greater. The CEO may waive this fee in unusual circumstances. For commercial loans, SCCLF will charge a \$100 loan servicing fee for each year of the loan term. The entire loan servicing fee will be paid in advance during loan closing.

**CLOSING COSTS:** The borrower is responsible for the expense of document preparation and closing costs

**HOUSING AFFORDABILITY CONTROLS:** All housing units that are funded by SCCLF must be affordable to households earning at or below 120% of the Area Median Income as published annually by the U.S. Department of Housing and Urban Development. Upon project completion, all for sale housing units that are funded by SCCLF will be subject to a 20 year restrictive covenant on the deed, and a 10 year restrictive covenant on rental units.

**TECHNICAL ASSISTANCE:** SCCLF provides technical assistance for all stages of project development from deal structuring to development financing and funding applications

**LOAN INQUIRES:** Email our Lending Team at [borrow@sccommunityloanfund.org](mailto:borrow@sccommunityloanfund.org).

*This institution is an equal opportunity provider and employer. We do not discriminate on the basis of race, color, religion, sex, marital status, disability, age, or national origin.*

