





## SC State Small Business Credit Initiative (SSBCI) Loan Participation Program



### Helping Small Businesses Grow, Expand and Create Jobs in SC

The SSBCI Loan Participation Program enables small businesses in South Carolina to obtain short to long-term financing to help businesses grow and expand, ultimately creating and retaining jobs in South Carolina. By partnering with financial institutions, this program provides small business loans at attractive terms while reducing the risk for the lender.

### *Short to Long-Term Financing for Small Business Growth in South Carolina.*

### \$15 million of Loan Participations with SC Lenders

Business Development Corporation (BDC) has received approval from the US Treasury to employ up to \$15 million in qualifying loan participations with approved South Carolina lenders. This program is limited in amount, and it is expected that full utilization of the \$15 million will occur rapidly. Subject to individual loan approval, BDC participations can be equal (pari-passu), or fully subordinated to the position of the lender, depending on terms agreed upon at loan inception.

## SSBCI Loan Participation Program Overview

<b>QUALIFYING BORROWERS</b>	Program is designed to target businesses with 500 or fewer employees and whose loan request is \$5 million or less. Qualifying not-for-profit entities are also eligible.
<b>MAXIMUM BDC PARTICIPATION AMOUNT</b>	\$1,000,000 (exceptions may apply).
<b>MAXIMUM PARTICIPATION PERCENTAGE</b>	Generally, 25%.
<b>ELIGIBLE LOAN PURPOSES</b>	Proceeds must be used for a business purpose in the state of South Carolina.
<b>INELIGIBLE LOAN PURPOSES</b>	Passive real estate investment, speculative activities, gambling, pyramid sales, activities prohibited by Federal or State law.
<b>MAXIMUM LOAN TERM</b>	Up to 20 years for term loans. Also eligible are lines of credit.
<b>INTEREST RATE/FEEES</b>	Determined by lender, subject to BDC concurrence.
<b>FORM OF PARTICIPATION</b>	At the time of loan inception, lender and BDC to mutually agree whether collateral position will be equal (pari-passu) or BDC subordinated to lender in the event of default.
<b>LOAN SERVICING</b>	Lender is responsible for all loan servicing and liquidation (if required).
<b>DOCUMENTATION REQUIRED</b>	Master Loan Participation Agreement, Application for Participation, Bank's Underwriting Credit Memo and Borrower's Financial Statement, BDC Commitment Letter, Participation Certificate, Borrower Certification, Bank Closing Documents.
<b>LENDER/BORROWER CERTIFICATION</b>	Lender and Borrower must certify no conviction of a sex crime against a minor, as defined (42 U.S.C.-16911). Other certifications required as listed in documents named above.

## Benefitting Both Small Businesses and Lenders

In addition to helping promote economic development and create jobs in South Carolina, the SSBCI Loan Participation Program benefits both small businesses and lenders.

SMALL BUSINESS BORROWER	LENDER
> Provides small business loans at attractive terms	> Provides lender reduced risk of loss
> Provides a flexible and non-bureaucratic resource for funding	> Allows the lender the ability to approve a loan that would otherwise be declined
> Provides fast disbursement of funds to the borrower	> Helps the lender retain client and ancillary banking services
> Allows borrowers to receive a quick response to a loan request	> Provides the lender CRA credit for each transaction

## Use of Proceeds

Proceeds must be used for a business purpose in the state of South Carolina, which includes (but is not limited to) the following:

- > Working capital
- > Receivables
- > Equipment and inventory
- > Start-up costs
- > Term loan financing
- > Lines of credit
- > Trade cycle financing
- > Purchase or construction renovations of non-passive real estate

## For Profit and Non-Profit Businesses that Qualify

Businesses that may qualify for this loan program are entities that carry on a business activity for profit or not-for-profit in South Carolina, including:

- > For-profit corporation
- > Limited liability company
- > Partnership
- > Joint venture
- > Sole proprietorship
- > State-designated charitable, religious or other non-profit or eleemosynary institution
- > Government-owned corporation
- > Consumer or marketing cooperatives





For more information about the  
SSBCI Loan Participation Program,  
please contact BDC at

**803.798.4064**

[www.BDCofSC.org](http://www.BDCofSC.org)