

Grow Cincinnati Fund

Quick Facts

- Low equity requirements.
- Terms up to 25 years for real property improvement.
- Can provide permanent working capital.
- The business must have a financing need of at least \$100,000.
- Nonprofits, real estate developers, and investment advisory firms are ineligible.

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The Grow Cincinnati Fund is a unique economic development partnership between the City of Cincinnati and the National Development Council (NDC). NDC is a nationally recognized Small Business Lending Company licensed by the Small Business Administration (SBA) and is also a Community Development Financial Institution (CDFI) as designated by the United States Department of the Treasury. CDFI Fund Loans are administered through NDC's wholly-owned affiliate, the Grow America Fund (GAF).

How Do They Work?

The City and NDC have established and capitalized the Grow Cincinnati Fund as an economic development finance tool to assist eligible small businesses within the City of Cincinnati obtain financing required to grow their small businesses. Loans made under this program will be underwritten by GAF and guaranteed by the SBA, so each loan must comply with SBA 7(a) guidelines and procedures.

What Are the Benefits?

The Grow Cincinnati Fund loan offers business financing that can grow small businesses. The loans are available to for-profit businesses that have been in operation for at least two years and demonstrate the ability to repay the loan. The loans are tailored to the needs of each individual borrower.

How Is It Used?

To be considered for a Grow Cincinnati Fund loan, a business must apply to the City of Cincinnati. The City coordinates the underwriting of the application with the National Development Council. The loan can be used for:

- Working capital.
- Machinery & equipment.
- Tenant improvements.
- Renovations.
- Acquisition of real estate.
- Refinancing debt.

Potential Advantages

- Loan term equal to the life of the assets being financed.
- Low equity requirements.
 - 10% for real estate acquisition
 - 0% for all other eligible uses
- Variable or fixed interest rates, generally below market rates.
- Flexible underwriting criteria.
- Limited pre-payment penalties.

Potential Limitations

- Any owner with 20% or more interest must provide a personal guarantee.
- A loan must be collateralized, to the extent possible, with available assets.
- Demonstrated ability to repay a loan with existing and projected cash flow.
- A for-profit business that has been operating for two or more years.