



FEDERAL HOME LOAN BANK OF DALLAS

Economic Development Program^{Plus} (EDP^{Plus})

Small Business Grant and Advance



Guidelines and Application

2009



Economic Development Program^{Plus} (EDP^{Plus}) Guidelines

OVERVIEW

- The EDP^{Plus} Program is a first-come, first-served noncompetitive small business grant program, designed to assist member institutions in providing capital to under-served areas or to under-served populations.
- EDP^{Plus} funds must be used in conjunction with an EDP advance from the Federal Home Loan Bank of Dallas (Bank).
- Member institutions may apply for a maximum of \$100,000 in EDP^{Plus} funds per year, up to \$25,000 may be granted to any one small business.
- Small business owners must contribute an amount equal to at least 15 percent of the member institution's EDP advance.
- Application must be submitted by a member institution.

USE OF FUNDS

- **EDP^{Plus} grants may be used to help small businesses:**
 - purchase, construct or expand a building
 - buy machinery and equipment
 - cover closing costs
- EDP^{Plus} funds may not be used to refinance existing loans.

PROGRAM REQUIREMENTS

- Member institutions must use EDP^{Plus} funds in conjunction with an EDP advance.
- EDP^{Plus} funds may constitute no more than 15 percent or \$25,000, whichever is less, of the member institution's EDP loan amount.
- The small business owner must contribute an amount equal to at least 15 percent of the member institution's EDP loan amount.
- Member institutions must pass along the full amount of EDP^{Plus} funds to the small business owner.
- The small business must qualify as a "small business" as defined by section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and implemented by the Small Business Administration under 13 CFR part 121, or any successor provisions.
- The small business must demonstrate an acceptable level of knowledge of business operations as evidenced by the completion of a class in small business management as provided by a Small Business Development Center (SBDC) or other qualified small business development organization. A statement from an SBDC or other qualified small business development organization verifying that the small business owner demonstrates an acceptable level of knowledge in business operations may be submitted in place of completion of a class.

- The small business must be established as a legitimate business entity organized for profit, with a place of business located within the Bank’s five-state region, and operating primarily within the United States or making a significant contribution to the U.S. economy through payment of taxes or use of American products, materials, or labor.

APPLICATION PROCESS

- The member institution must submit the following applications and supporting documentation to the Bank prior to the expected small business loan closing date:
 - EDP^{Plus} application
 - EDP advance application
 - A copy of the small business owner’s business plan
 - A statement from the small business organization verifying:
 - A completion of a SBDC (or other qualified small business development organization) class in small business management **or** certification that the small business owner demonstrates an acceptable level of knowledge in business operations
 - eligibility for funding as a small business, as defined under SBA guidelines

Reporting Requirements

- Within 30 days post-funding, the **member institution** must submit a transaction verification form for the EDP advance
- The **small business owner** is responsible for submitting semi-annual status reports for all current EDP^{Plus} projects.
- Complete applications, supporting documentation, and status reports may be mailed or faxed to:

Federal Home Loan Bank of Dallas

Member Sales Group

Attn: EDP^{Plus}

P.O. Box 619026

Dallas, Texas 75261-9026

Physical Address:

8500 Freeport Pkwy South, Suite 100

Irving, TX 75063-2547

Fax: 214.441.8551

*The Bank in its sole discretion will determine whether the small business owner and the member institution have satisfactorily completed the program requirements. After evaluation by the Bank, the amount of the EDP^{Plus} grant may be reduced solely at the discretion of the Bank. In exercising its discretion, the Bank will evaluate the need for the EDP^{Plus} grant.



EDP^{Plus} Application

****An EDP advance application must accompany this request for EDP^{Plus} grant funds****

MEMBER INSTITUTION

Name: _____ FHFA ID #: _____

SMALL BUSINESS

Name: _____

Contact Name: _____ Title: _____

Address: _____

City: _____ State: _____ ZIP: _____

Phone (____) _____ Fax: (____) _____ E-mail: _____

SMALL BUSINESS DEVELOPMENT ORGANIZATION

Agency Name: _____

Contact Name: _____ Title: _____

Address: _____

City: _____ State: _____ ZIP: _____

Phone (____) _____ Fax: (____) _____ E-mail: _____

EDP^{Plus} GRANT INFORMATION

- A.** EDP^{Plus} Grant Amount Requested
(15 percent of C or \$25,000, whichever is less) \$ _____
- B.** Small Business Owner's Contribution (at least 15 percent of C) \$ _____
Origin of Small Business Owner's Contribution: _____
- C.** Member Institution's EDP Loan Amount \$ _____
- D.** Amount of Total Finance Package (sum of A, B, and C) \$ _____

PURPOSE OF EDP ADVANCE REQUEST:

- | | |
|--|---|
| <input type="checkbox"/> Purchase buildings | <input type="checkbox"/> Machinery and equipment purchases |
| <input type="checkbox"/> Construct buildings | <input type="checkbox"/> Working capital |
| <input type="checkbox"/> Facility expansion | <input type="checkbox"/> Other (please describe in space below) |

ELIGIBILITY INFORMATION

- Yes No The member institution and the small business owner agree that the small business qualifies as a small business as defined by Section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and implemented by the Small Business Administration under 13 CFR part 121, or any successor provisions.
- Yes No This small business is a legitimate business with a place of business located within the Bank’s five-state region and operating primarily within the United States of making a significant contribution to the U.S. economy through payment of taxes or use of American products, materials or labor.
- Yes No The member institution agrees to recapture the grant funds if a small business that is assisted through the EDP^{Plus} Program fails to supply the required semi-annual status reports to the Bank.
- Yes No The member institution agrees to execute an EDP advance to fund the small business loan. The member institution acknowledges that the loan to the small business would not have been extended absent the assistance requested of the Bank.
- Yes No The member institution agrees to pass on the full amount of the EDP^{Plus} grant to the small business owner.
- Yes No The member institution agrees to use its own loan underwriting and monitoring guidelines in determining the eligibility of the small business loan.

CERTIFICATION

The member institution and small business owner certify that any grant which will not be, or ceases to be, used for the purpose approved by the Bank will be recaptured and the unused or improperly used subsidy will be returned to the Bank

The member institution and small business owner agree to submit reports, certification and supporting documents as the Federal Home Loan Bank of Dallas may require.

BY SIGNING BELOW WE CERTIFY THAT WE HAVE MET ALL THE ABOVE CRITERIA FOR THE EDP^{Plus} PROGRAM.

(Authorized Signature of Member Institution)

(Date Signed)

(Typed Name of Above Authorized Signatory)

(Title)

(Signature of Small Business Owner)

(Date Signed)

(Typed Name of Above Signatory)

(Title)