



SmallBusinessBoost

BIG SOLUTIONS FOR SMALL BUSINESS

If Small **Businesses**
are the heartbeat **of a**
community's economy
community partnerships are
the lifeblood.



Partnerships help communities thrive. With **Small Business Boost (SBB)** offered by the Federal Home Loan Bank of Dallas (FHLB Dallas), financial institutions now have a valuable resource to help give small businesses a boost.

SBB is a recoverable assistance program for participating members that provides secondary loans in conjunction with a primary loan from a member to qualified small businesses that would not otherwise meet member underwriting criteria. SBB is intended to help members invest in their community businesses by filling the gap when there is a lack of equity, unique collateral or shortfall in appraisal. As small businesses grow and repay, funds will be recycled back into the program to be reinvested in other small businesses which will create more jobs over time. As a benefit to FHLB Dallas members, SBB reduces member risk exposure and offers an opportunity for members to earn interest income in year two.

BENEFITS OF SBB FOR MEMBERS

- Allows participating members to bridge certain underwriting obstacles and make loans to qualified small businesses that would not otherwise meet lending requirements
- Provides a source of flexible, secondary financing for small businesses, helping address business needs
- Facilitates decision-making with a quick approval process
- Increases initial cash flow of the business with no repayments in year one
- Helps affordability with no prepayment penalties or application fee
- May be used in conjunction with other financing sources to leverage the member's loan
- Strengthens the local economy, helping create and retain jobs

BENEFITS OF SBB FOR BUSINESSES

- Receives loan that would not otherwise be approved
- Increases initial cash flow because there are no repayments in the first year
- No application fees or prepayment penalties
- Can be used with other financing sources
- Helps create and retain jobs

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Small Business Boost is designed to provide a source of flexible financing for small businesses as well as allowing members to bridge certain underwriting obstacles.

Scott Spivey, Chairman, FHLB Dallas Advisory Council

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HOW TO QUALIFY FOR SBB

- Business qualifies as a small business based on Small Business Administration standards
- The member provides at least 40 percent of the total financing
- The maximum SBB loan amount is \$125,000 or 50 percent of the member loan to the small business
- At least one full-time equivalent job is created or retained for every \$62,500 in SBB funding
- The member must demonstrate that the loan does not meet their underwriting criteria without the SBB funds
- The small business may only obtain one SBB loan
- If the transaction involves real estate, at least 51 percent of the real estate must be occupied by the small business

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The program will create a multiplier impact on local economies because it will help members make more loans to more small businesses and create more jobs over time.

Kalyan Madhavan, EVP and Group Head of
Members and Markets, FHLB Dallas

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SBB STEPS

Member enrolls in the SBB program.

Member registers the business for an SBB loan during an open funding round. FHLB Dallas makes eligibility determination within 10 business days.

Member collects monthly payments from the small business in accordance with the amortization schedule provided by FHLB Dallas.

Member remits payments collected to FHLB Dallas annually.



SBB is available through a network of FHLB Dallas members. Contact Community Investment at 800.362.2944 or sbb@fhlb.com to get started.



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