



NCIFund

Natural Capital Investment Fund

## **Justin White**

West Virginia Business Lender  
Natural Capital Investment Fund

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- NCIFund is a 501(c)(3) founded in 2001. NCIFund is certified as a Community Development Financial Institution (CDFI) by the U.S. Treasury.
- Goal: Provide affordable, flexible capital and advisory services to small and emerging businesses that create employment.
- Impact: Over 5,300 jobs created/retained since 2001; 75% of lending in rural/underserved areas. More than ½ of borrower are women and people of color.
- Provides critical technical assistant dollars through third party consultants to work with borrowers in financial management, accounting, marketing, social media and sector-specific needs areas.



## Target Markets

- Local Foods and Value-add Agriculture
- Vital community services: Childcare, Adult care, Medical providers and Education
- Ecotourism and Recreation – *Hatfield-McCoy Initiative*
- Alternative & Renewable Energy, Environmental Services
- Adaptive Reuse of Real Estate - Consumer Products & Services – *Downtown Appalachia Initiative*
- WV Women's Business Center
- **COVID – 19 Relief – WV Emergency Loan Program**



## Loan Amounts

- Up to \$750,000.
- Can be part of a funding package – patient & flexible capital
- NCIFund is a Small Business Administration (SBA) and US Department of Agriculture (USDA) Lender

## Terms

- Working Capital.....Up to 5 years
- Equipment.....Up to 10 years
- Real Estate.....Up to 20 years
- Terms can be blended for mixed uses loans.

## Interest Rate (7.0% - 9.0%)

Interest rate reflects risk, but are based on business model, cash flow, profitability, loan purpose, collateral & principal's credit history.

## Fees

- Origination fee: 1-2% of loan amount
- Borrower pay all loan closing costs
- Fees for multiple disbursements



## COVID-19 Relief – WV Emergency Relief Lending Programs

With the support of the Appalachian Regional Commission (ARC) and the U.S. Department of Commerce's Economic Development Administration (EDA), Natural Capital Investment Fund is excited to announce two new loan programs to help small businesses navigate the COVID-19 pandemic. Loans are subject to the availability of funds.



## **Eligibility**

- Current WV Business License – must have been in business for at least one year as of February 15, 2020.
- 100 employees or less.
- Must be current on WV State Taxes.
- Must verify loss of income due to COVID-19 pandemic.

## Loan Terms - Appalachian Regional Commission (ARC) – Loans up to \$50,000

- **Interest rate:** 3.00%.
- **Amount:** Maximum of two months of average business revenues or **\$50,000**, whichever is less.
- **Structure:** No principal or interest payments for 1<sup>st</sup> eighteen months followed by 102 months of principal and interest (P&I) payments based on a 102-month amortization. Interest begins to accrue at disbursement of funds.
- **Use of Proceeds:** To assist with the working capital needs of the affected business. Proceeds from the loan may NOT be used to refinance existing debt. Borrowers can assign the proceeds of future assistance programs, including SBA loans, to the repayment of the Emergency Relief Loan.
- **Origination fee:** 1.00% of the loan amount. This amount may be taken from loan proceeds.
- No prepayment penalties.
- Defaulted loans are subject to collections. ***This is not a grant program.*** Repayment is expected either from the proceeds of future assistance programs, including SBA loans, or the future revenues of the business.
- **Personal guarantee:** Any individual in the applying business with 20% or more ownership must personally guarantee the loan. Should no owner of the business have 20% ownership, NCIFund will determine which owners will need to guarantee the loans.

**Loan Terms -U.S. Department of Commerce's Economic Development Administration (EDA) – Loan up to \$100,000.**

- **Interest rate:** 3.00%.
- **Amount:** Maximum of two months of average business revenues or **\$100,000**, whichever is less.
- **Structure:** No principal or interest payments for 1st six months followed by 60 months of principal and interest (P&I) payments based on a 60-month amortization. Interest begins to accrue at disbursement of funds.
- **Use of Proceeds:** To assist with the working capital needs of the affected business. Proceeds from the loan may NOT be used to refinance existing debt.
- Borrowers can assign the proceeds of future assistance programs, including SBA loans, to the repayment of the Emergency Relief Loan.
- **Origination fee:** 1.00% of the loan amount. This amount may be taken from loan proceeds.
- No prepayment penalties.
- Defaulted loans are subject to collections. ***This is not a grant program.*** Repayment is expected either from the proceeds of future assistance programs, including SBA loans, or the future revenues of the business.
- **Personal guarantee:** Any individual in the applying business with 20% or more ownership must personally guarantee the loan. Should no owner of the business have 20% ownership, NCIFund Will determine which owners will need to guarantee the loan.

## **Requirements**

- Credit Score  $\geq$  620.
- No Judgments, liens, or consistently slow pays on credit.
- Prior year EBITDA generally  $>$  loan amount OR cash flow model providing ability to repay debt over 120-month amortization.
- Personal Guarantee of all those with  $\geq$  20% ownership in the business.
- Collateral: UCC-1 filing on all business assets of the business.
- Business must demonstrate the ability to make Principal & Interest (P&I) payments for the proposed loan.

## **Documentation Needed**

- Signed NCIFund Loan Application - No Personal Financial Statement Required.
- Credit report with credit score.
- 2019 Business Tax Return.
- Current 2020 Profit and Loss Statement and Balance Sheet.
- Proof of lost revenues.
- Proof of business ownership.
- Copy of Driver's License/ID.

# Contact Us



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