



## Washington State Small Business Credit Initiative (SSBCI)

### OWNER-OCCUPIED COMMERCIAL REAL ESTATE (CRE) LOAN PROGRAM

The Washington State Small Business Credit Initiative (SSBCI) provides much-needed capital to small businesses and nonprofits throughout Washington, particularly those in historically underserved and under-banked communities. SSBCI is administered by the Washington State Department of Commerce in partnership with the U.S. Department of Treasury and financial institutions statewide. For more information, visit <https://bit.ly/wa-small-biz-loans>.

Through the SSBCI program and the Heritage Bank Community Development Entity (HBCDE), Heritage Bank is using our own capital to make commercial real estate loans to qualified businesses. We intend for these loans to fuel economic growth and create jobs. Priority for program funds will be given to businesses located in a CDFI eligible census tract and which retain and grow jobs in those communities.

If you're ready to get started or have questions about eligibility, please visit [heritagebanknw.com/ssbci](https://heritagebanknw.com/ssbci).

#### Benefits of a SSBCI Commercial Real Estate Loan

##### Lowering project risk to your small business:

Lower loan interest rates and interest-only structure on the SSBCI program may result in improved cash flow for your business due to lower debt payments.

Improve business liquidity by allowing the SSBCI loan to replace a significant portion of the cash down payment on the project.

##### Improving the ability of your small business to qualify for financing:

The lower debt payments on the SSBCI loan allows you to qualify for a larger loan amount.

The loan structure, including both the SSBCI loan and the conventional companion commercial real estate loan, allows you to qualify for a larger level of project debt funding and a higher loan-to-value (LTV).

See the reverse for how the program works and a loan comparison. >>



Foreign language interpretation services offered. Please call 800.455.6126 for a list of available languages.

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## Features of a SSBCI commercial real estate loan

Each project will have two separate loans: a subsidized “SSBCI loan” and a conventional “companion loan.”

### SSBCI loan from HBCDE, LLC\*

- Forgivable loan for 9% of the new project cost
- Project size limits: no minimum, up to \$20 million
- Repayment structure: Interest due monthly for 10 years, multiple advances available on construction projects, ten-year maturity, loan balance forgiven at the ten-year maturity if not currently in default or previously liquidated
- Pricing: 1% fixed annual percentage rate (APR); no loan fee
- Qualifying business must have 750 employees or less and be in Washington State
- Borrowers will work directly with HBCDE for the entire loan process

### Companion loan from either HBCDE, LLC or Heritage Bank\*

- Conventional commercial real estate loan underwriting and pricing

## Frequently Asked Questions

### How do I determine whether my project will receive priority for program funds?

The program will give priority to businesses located in a CDFI eligible census tract and which retain and grow jobs in those communities. Interested borrowers will be asked to complete documentation identifying the location of the project and number of jobs retained and created from the project. For more information about the program and eligibility criteria, please visit [heritagebanknw.com/ssbci](http://heritagebanknw.com/ssbci).

### What are the financing scenarios that could be considered under this program?

The following project scenarios may be considered, subject to your business occupying the building:

- Purchase land and construct a building
- Purchase an existing building, no renovations
- Purchase an existing building, make renovations
- Own land (no debt), construct a building
- Own an existing building (no debt) then expand or construct a new building
- Own an existing building (with debt) then expand or construct a new building

Loan Example	
Property purchase	\$750,000
Construction of new grocery store	\$1,250,000
<b>Total Project Uses</b>	<b>\$2,000,000</b>
Cash from project owner	\$320,000
SSBCI loan (9%)	\$180,000
Companion loan (standard underwriting & pricing)	\$1,500,000
<b>Total Project Sources</b>	<b>\$2,000,000</b>

\* Subject to credit approval and program guidelines. Certain restrictions apply to refinancing options and are subject to program terms. This program cannot be combined with other governments sponsored programs (e.g., SBA 504; SBA 7a; USDA; etc.) Financing maximums and terms are determined by borrower qualifications and use of funds. Heritage Bank and its representatives do not provide tax advice. Consult an advisor regarding a particular financial situation. Credit products are offered by Heritage Bank. This flyer is intended to provide a summary, final executed loan documents should be relied on for complete and final terms.



**Washington Department of Commerce Public Disclosure Notice:** Information from this loan/investment will be shared with the Washington Department of Commerce to comply with reporting requirements under the U.S. Department of Treasury, State Small Business Credit Initiative guidelines to ensure compliance with federal law. Information provided to the Department of Commerce is subject to public disclosure, pursuant to RCW 42.56. Any information provided to the Department of Commerce may be released upon request by any member of the public.